



FINAL REPORT

United Nations Development Programme

I.R. Iran

**Enhancing Integrated Natural Resource
Management for the Restoration of
Wetland Ecosystems and Support to
Alternative Livelihoods Development of
Local Communities**

December 2024

ENHANCING INTEGRATED NATURAL RESOURCE MANAGEMENT

**FOR THE RESTORATION OF WETLAND ECOSYSTEMS
AND SUPPORT TO ALTERNATIVE LIVELIHOODS
DEVELOPMENT OF LOCAL COMMUNITIES**



Reporting Period	1 February 2020-31 July 2024
Donor	European Commission
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Implementing Partner(s)	I.R.Iran Department of Environment
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¹ The project was terminated by the decision of donor effective as of 31 July 2024 in line with Article 13.3 of the General Conditions.

EXECUTIVE SUMMARY



I. EXECUTIVE SUMMARY

The project “Enhancing Natural Resource Management for Restoration of Wetland Ecosystems and Support to Alternative Livelihood Development of Local Communities” (hereinafter Sistan Project) was initiated to support cross-sectoral planning and implementation through integrated natural resource management and ecosystem-based adaptation in the Sistan region.

Sistan Project, the tripartite cooperation between Department of Environment, UNDP and the EU, was officially launched in August 2020 in a virtual meeting attended by the Deputy for Marine and Wetlands of Department of Environment (DoE), Dr. Ahmadreza Lahijanzadeh, Deputy Coordination of Development Affairs of Governor General of Sistan and Baluchestan Mr. Mansoor Bijar, EU Representative, Mr. Leopold Gritschneider, and UNDP Resident Representative in the Islamic Republic of Iran, Mr. Claudio Providas and the representatives of relevant ministries and governmental organizations.

The European Union (EU) had allocated USD 11,106,000 to support the Government of Islamic Republic of Iran’s efforts to boost socio-economic development in Sistan & Baluchestan, restore Hamoun Wetlands and promote alternative climate-smart livelihoods. This five-year project is implemented jointly by Iran’s Department of Environment (DoE) and UNDP through National Implementation Modality (NIM). This implies close cooperation between DoE and UNDP for project planning, implementation, and reporting. The EU’s funding Sistan Project was to help pilot sustainable land and water management and enhance climate-smart income generation activities through a participatory, area-based development approach in the target region. The project consists of three main components: 1) Capacity development and coordination; 2) Sustainable management of land and water; and 3) Climate-smart agriculture and alternative livelihoods of local communities.

The implementation strategy and theory of change of the project were to demonstrate and build capacity for participatory planning methods and support for local economic development (through targeted low-value grants) to the most marginalized, vulnerable, and at-risk people. The project provided tools, platforms, systems, innovations, and approaches and offered knowledge products on natural resources management, primarily focusing on water scarcity and water efficiency. The target audience for these efforts included mid-level government staff and other officials, as well as other stakeholders. This ‘learning pathway’ included climate modeling, ecosystem-based approaches, and risk/vulnerability assessment. The project supported demonstration of climate-smart agriculture and evidence-based, participatory, and inclusive planning and risk-informed development to achieve area-based and local economic sustainable development.

The intervention provided catalytic support to government departments for cross-sectoral planning and implementation. aiming to involve stakeholders representing different sectors of the Government, as well as non-governmental organizations, Community based organizations, private sector, academia, and UN agencies.

The project followed a national implementation modality, led by the Department of Environment of Iran, with support from UNDP. The intersectoral coordination and sub-national interventions were facilitated by the project management unit (PMU) based in DoE. UNDP has proactively engaged and provided substantive technical and management support in introducing required knowledge and demonstrating new approaches and models such as participatory natural resource management and climate-smart agricultural techniques. The PMU led the coordination of the knowledge inputs in producing substantive baseline analysis across all three outputs of the project.

The project launch coincided with COVID 19 pandemic and thus the related travel and movement restrictions have delayed project implementation during the 1st year (2020). The restrictions included frequency and availability of flights to Zabol city and hotels compliant with the local protocols on control of the pandemic.

Therefore, in the initial year (2020), the project efforts were focused on preparing the road map and the project inception phase through engaging key stakeholders to review, bring up to date and finalize the key project planning documents before full implementation begins. The top priority was to finalize the project's Strategic Results Framework (log-frame), specifically adjustments were focused on revising wording of relevant indicators and numbering; revising some targets; adding missing quantitative indicators and their relevant targets; as well as indicating data collection methods and adding risks. No targets were removed from the log-frame, but the "scale" at which some targets apply was revised. No changes were made to the project outputs.

In adding to revising the project Logical Framework, the project efforts were focused on preparatory work including through field visits, consultation meetings with stakeholders and other activities to engage with local communities, and support background analysis, capacity development, participatory planning, etc. During the first year the Terms of References for the baseline studies, stakeholder engagement, community facilitation, were prepared and the processes for the "call for proposal" was put in place.

The implementation in the second year (2021- 2022) focused on acceleration and implementation. The project conducted a number of studies including gathering and analyzing the existing baseline studies on economic, social and environmental fields, along with a comprehensive analysis of technical and functional capacities and needs at the institutional level to inform (a) design of a capacity development action plan; (b) approach to social mobilization process in 120 pilot villages in developing relevant actions plans, and (c) design of the climate change study to develop a scenario-based adaptation action plan.

The project strategy also focused on initiating the low-value grants facility with UNDP's technical support. The Low Value Grants (also referred to as Quick Win Projects) were planned to benefit the local economic development goals and provide sustainable development solutions for target communities in Sistan area.

Low value grant scheme was developed, covering selection criteria and a participatory planning process introduced to and led by the provincial government with involvement of technical/sector specialists, UNDP, DoE, and University of Zabol. Roll out of the process faced delays due to several layers of reviews and screening of grant recipients. As a result, 36

proposals were technically approved, including clearance of 14 grantees. The project team embarked on the early roll out of 14 low value grants to enable the communities (primary beneficiaries) to manage their own development.

With the support of higher-level authorities, the project has been able to successfully revive the working group for the Hamoun wetlands management plan at the district level, through establishment of a new technical expert working group as an innovative and integrated multi-stakeholder platform. In addition the project has mobilized an existing inter-sectoral technical group to assist with the implementation of the Hamoun Wetland management plan. This group is led by the provincial Department of Environment in Sistan and Balouchestan. However, the project encountered significant challenges during the second year due to the COVID-19 pandemic, which resulted in the cancellation of non-essential meetings at both regional and national levels. Additionally, the change in government in August 2021 with the subsequent rotations within ministries at the leadership and technical levels, required time for establishing partnerships and trust for coordination of project related activities at the national and sub-national levels. The unfolding political crisis in Afghanistan and the subsequent takeover by the Taliban also presented challenges, especially in relation to the implementation of planned activities involving transboundary markets and events.

During the third year of the project (1 February 2022 to 31 January 2023), significant progress was made in implementing innovative activities on the ground. These activities were informed by the studies and assessment conducted during the initial year of the project.

The period of 1 February 2022- to 31 January 2023 was marked by several obstacles of political, security, environmental, and climate related nature. These challenges included external factors adding to sensitivities around the project area. In addition, internet disruption, restricted visits, and movement in Sistan, and perceived intensification of climate change impacts across the region added new layers of complexities in implementation.

However, the project design allowed for adaptive actions to be taken, including prompt recruitment of critical positions, enhanced remote working capacities, and open discussions with the DG-INTPA- the donor. Towards the end of 2022, an EU commissioned Results-Oriented Mission confirmed that the project was on track to achieve its targets. Nonetheless, the suspension of the project announced in December 2022 disrupted implementation leaving the project with limited possibilities for securing a sustainable and smooth exit.

During the suspension phase agreed with DG INTPA covering the period of 1 February - 30 June 2023, the efforts were focused on the completion of the agreed project activities as per the suspension letter. The project team also paid efforts to synthesis knowledge generated by the project, prepare short concept notes as well as the preparation of the progress report.

In 2024, the project was officially terminated following the decision of the donor effective from 31 July 2024. At the time of the decision on termination, all activities have already been ended as part of the suspension phase.

In line with the termination notice, the final report was prepared. The project's legacy and key impacts include i) capacities of community groups and government institutions in participatory, cross-sectoral planning and management of natural resources developed ii)

institutionalization of coordination on natural resource management among a diverse range of stakeholders was developed, iii) modelling, technical, and social solutions for climate change adaptation, local economic development, and climate-smart agriculture models developed and demonstrated.

Contents

I. EXECUTIVE SUMMARY ii

II. PROJECT BACKGROUND.....2

LIST OF ACRONYMS 4

PROJECT AREA5

III. PROGRESS REVIEW6

IV. PROJECT RISKS AND ISSUES 16

V. LESSONS LEARNED 18

VI. CONCLUSIONS AND WAY FORWARD 20

VII. PROGRESS TOWARDS TARGET INDICATORS21



BACKGROUND

II. PROJECT BACKGROUND

The Sistan region is a low-lying basin in southeastern Iran that borders Afghanistan and includes the Zabol, Zahak, Hamoun, Hirmand, and Nimrooz districts. The area is known for its extreme aridity, windstorms, droughts, and severe floods, which are worsened by reduced water inflow from the Helmand Basin and climate change. The region has a long history of relying on natural resources, such as agriculture, horticulture, animal husbandry, fisheries, and handicrafts, for rural livelihoods. However, unsustainable management of natural resources and fluctuations in water inflow have led to displacement, poverty, and unemployment among the local population.

The “Enhancing integrated natural resource management for the restoration of wetland ecosystems and support to alternative livelihoods development of local communities” project, henceforth the “Sistan Project” was a five-year initiative funded by the European Union (EU) and implemented jointly by Iran's Department of Environment and the United Nations Development Programme (UNDP). The project aimed to promote regional development by restoring the Hamoun wetlands and promoting sustainable livelihood strategies for the local population. The project aimed to remove barriers to Integrated Natural Resources Management (INRM) by developing institutional knowledge, capacity, and coordination, demonstrating and up-scaling sustainable land and water management practices, and alternative livelihood strategies.

The project involved stakeholders from government and non-governmental organizations, community-based organizations, the private sector, academia, and UN agencies. It catalysed support to overcome sectoral and capacity barriers for cross-sectoral planning and coordinated implementation. The project applied a 'learning by doing' capacity-building approach by strategically demonstrating integrated natural resource management and ecosystem-based adaptation in 120 pilot areas. The project's implementation strategy focused on building capacities for participatory planning, providing catalytic support for local economic development, and offering knowledge and innovative solutions on natural resources management, primarily focusing on water scarcity and efficiency.

The Sistan Project employed an area-based development approach to address the complex development challenges of specific geographical areas. The project's target audience included mid-level government staff, officials, farmers and farmers' cooperatives, women, NGOs, and other stakeholders. The learning pathways comprised climate modelling, ecosystem-based approaches, and risk/vulnerability assessments. The project aimed to support the demonstration of climate-smart agriculture, evidence-based, participatory, and inclusive planning, and risk-informed development to achieve area-based sustainable development. The learning objective was to impart the capabilities for following a resilient development pathway.

The project aimed to tackle existing barriers through three interlinked components:

- Component 1 focuses on Better Capacities and Coordination. A capacity development framework was applied to identify gaps and promote participatory solutions for key interventions. This component aimed to enhance the capacity of stakeholders in the region to achieve cross-sectoral planning and coordinated implementation.
- Component 2 is centered on Sustainable Land and Water Management. The project conducted complementary and updated studies on climate change adaptation and developed participatory sand and dust storm action plans in pilot areas. This component aimed to promote sustainable land and water management practices to improve the region's resilience to climate change.
- Component 3 focuses on Climate-smart agriculture and alternative livelihoods. The project prioritized agriculture-based livelihoods by assessing their comparative economic advantage in the area. This component aimed to promote alternative livelihood strategies that are climate-smart and sustainable.

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LIST OF ACRONYMS

ABD	Area-Based Development
AWP	Annual Work Plan
CBA	Community Based Analysis
CEPA	Communication, Education, Participation, and Awareness Raising
CTA	Chief Technical Advisor
DoE	Department of Environment
FRWO	Forests, Range and Watershed Management Organization
HACT	Harmonized Approach to Cash Transfers
IP	Implementing Partner
LVGs	Low-Value Grants
MFA	Ministry of Foreign Affairs
MOE	Ministry of Energy
MoJA	Ministry of Jihad-Agriculture
NIM	National Implementation Modality
NPD	National Project Director
NPM	National Project Manager
PMU	Project Management Unit
SDS	Sand and Dust Storms
ToR	Terms of Reference
UNDP	United Nations Development Programme

PROJECT AREA



III. PROGRESS REVIEW

CUMULATED PROGRESS

Output 1 "Capacities, institutional arrangements and coordination mechanisms among key stakeholders developed in the Hamoun wetland."

The coordination and undertaking of situational analysis and baseline work informed the design of new approaches for the project to take forward. These activities included institutional capacity assessment, community engagement studies, land and water management, including zoning-related studies and climate change adaptation, baseline research, modeling, and climate risk assessment. Furthermore, the project team applied concepts and approaches, such as climate change adaptation, resilience, ecosystem-based approaches, climate risk and vulnerability assessment, transboundary landscape approaches, and integrated resource management.

Activities completed under Output 1:

1. Conducting a comprehensive capacity and needs analysis within existing institutional frameworks to understand gaps and propose solutions for intervention.
2. Developing and implementing capacity-building plans based on the findings from activity 1.1 to ensure climate resilience interventions.
3. Organizing local and transboundary events and initiatives, such as joint technical working groups, cross-border markets and fairs, and a training and consultation workshop.

Conducting a comprehensive capacity and needs analysis within existing institutional frameworks to understand gaps and propose solutions for intervention.

Under this activity, the project aimed to assess the existing capacities and identify the gaps within the institutional frameworks related to climate resilience interventions. The University of Zabol conducted the analysis using UNDP's capacity assessment framework. The assessment covered technical and functional capacities, as well as institutional capacity. The purpose of this analysis was to gain a thorough understanding of the strengths and weaknesses of the institutions involved to inform the design of development solutions tailored to the project area.

Achievements:

- The project successfully engaged relevant stakeholders, including representatives of state entities including policy- and decision-makers, and experts, in the capacity and needs analysis process.
- The project utilized UNDP's capacity assessment framework to conduct a comprehensive analysis of technical, functional, and institutional capacities.

- Through the situation and baselines analysis, the project identified capacity gaps within the existing institutional frameworks and proposed suitable solutions for intervention.

Not Achieved and Reasons:

- The time available for conducting the analysis was not sufficient (also in view of COVID related restrictions) to capture all the nuances and complexities of the institutional capacities and needs.

Developing and implementing capacity-building plans based on the findings from activity 1.1 to ensure climate resilience interventions.

Capacity development plans were prepared based on the findings from the capacity and needs analysis. These plans were tailored to address the identified gaps and learning needs of policy- and decision-makers. The goal was to enhance the functional capacities of the relevant institutions to effectively implement climate resilience interventions. The capacity-building plans included targeted training programs and initiatives designed to bridge the identified gaps and empower the stakeholders involved.

Achievements:

- The project engaged relevant stakeholders, including policy- and decision-makers, institutional representatives, and experts, in the development and implementation of the capacity-building plans.
- The capacity-building plans were customized to address the specific gaps and learning needs identified in the capacity and needs analysis.
- The project implemented targeted training programmes and initiatives to enhance the functional capacities of the stakeholders involved in climate resilience interventions.

Not Achieved and Reasons:

- Time constraints affected the full implementation of the capacity-building plans and have potentially hampered the execution of the planned training programs and initiatives at full scale.
- Some stakeholders were resistant to adopting new approaches or building their capacities, which could have hindered the complete implementation of the capacity-building plans.

Organizing local and transboundary events and initiatives, such as joint technical working groups, cross-border markets and fairs, and a training and consultation workshop.

This activity aimed to foster collaboration, knowledge-sharing, and cooperation among stakeholders at both the local and transboundary levels. The project organized various events and initiatives to facilitate engagement and exchange of ideas. These included joint technical working groups, which brought together experts and practitioners to discuss and address specific challenges related to climate resilience.

A training and consultation workshop was conducted to provide a platform for stakeholders to enhance their skills, share experiences, and contribute to the project's objectives. These events and initiatives played a crucial role in building networks, strengthening partnerships, and generating collective solutions for sustainable development.

Achievements:

- The project successfully fostered collaboration and engagement among stakeholders through the organization of local and transboundary events and initiatives.
- Joint technical working groups provided opportunities for stakeholders to share knowledge, exchange ideas, and collaborate on climate resilience interventions.
- The cross-border markets and fairs facilitated economic cooperation and the development of trade networks among different regions.
- The training and consultation workshop offered a platform for stakeholders to enhance their skills, share experiences, and contribute to the project's objectives.

Not Achieved and Reasons:

- The project had planned transboundary local economic cooperation work, but it had to be postponed due to the events in Afghanistan and associated regional challenges. Security issues and the potential influx of Afghan refugees hindered the implementation of this transboundary initiative.
- Organizing transboundary events required formal approval by the Ministry of Foreign Affairs. The sensitive nature of the project area and the complex international relations between Iran and Afghanistan resulted in slow progress in obtaining the necessary approvals, thereby affecting the full realization of transboundary collaboration opportunities.

Output 2 "Sustainable land and water management and wetland restoration measures implemented."

Overall, Output 2 aimed to introduce sustainable land and water management through various activities, including developing action plans, supporting implementation, and implementing mitigation measures. The focus was on climate change adaptation and addressing the specific challenges faced by the Sistan area. The activities were evidence-based, responsive to local needs, and aimed to enhance resilience and sustainability in the region. Also, the achievements in Output 2 include the development of a methodological approach, a comprehensive understanding of the Sistan area, and the informed project approach and interventions. However, further details on stakeholder engagement, replication of findings, and encountered challenges are not provided in the text.

Development of a Climate Change Adaptation Action Plan for the implementation of the Integrated Hamoun Wetlands Management Plan (the CLEWs model):

- A comprehensive action plan developed to address the impacts of climate change on the Hamoun wetlands and surrounding communities. The plan is based on scientific knowledge, best practices, and the latest climate change studies.
- Priority areas for action were identified to improve wetland management and enhance resilience to climate change.

Support for the implementation of the Action Plan on watershed management, water efficiency, wetland restoration, and biodiversity conservation, with a particular emphasis on climate change adaptation (Takhtak and MoU):

- The project provided assistance and support to local communities and authorities in implementing the action plan.
- The support aimed to enhance capacity and ensure sustainable, science-based actions.
- Activities focused on watershed management, water efficiency, wetland restoration, and biodiversity conservation, with a specific emphasis on adapting to climate change.

Identification and implementation of mitigation measures to counteract the adverse effects of dust storms/drought on the local community (Identification of Sand and Dust Storms traditional knowledge):

- Measures were developed and implemented to mitigate the negative impacts of dust storms and drought on the local community.
- The measures were based on scientific evidence, best practices, and indigenous methods of dust storm control.
- The goal was to reduce vulnerability and enhance resilience to climate change in the context of dust storms and drought.

Achievements:

1. The project developed a methodological approach and roadmap informed by institutional capacity assessments, community mobilization, and sustainable land and water management studies. The project engaged with relevant stakeholders such as local communities, institutions, and partners to gather information and insights.
2. The baseline studies conducted as part of Output 2 provided a comprehensive understanding of the Sistan area. These studies identified needs, opportunities, and challenges related to sustainable land and water management, climate change, and institutional capacity. The engagement of stakeholders, including local communities, helped in gathering valuable information and insights.
3. The analyses and findings from the baseline studies played a critical role in informing the project's approach and interventions. The evidence-based insights helped in ensuring that the project's actions were responsive to the needs and priorities of the Sistan area. The engagement with stakeholders, knowledge management, and capacity development activities contributed to this achievement.

Shortcomings:

1. Additional information would be needed to provide a comprehensive understanding of stakeholder engagement strategies.

While the findings from the baseline studies will serve as a model for similar projects in other regions, replication efforts will need to be tailored to area in question.

Output 3 "Strategy and plan of action for sustainable and climate-smart agriculture and alternative livelihoods developed and priority actions implemented."

Output 3 project aimed to support regional sustainable economic development through enhanced planning tools and small- and medium-enterprise establishment. A low-value grant scheme was introduced to engage people who had a particular or distinct view of development or represented people who were deprived of the development process. The LVGs were essentially cash awards to civil society and nongovernmental partners selected via programmatic decisions to generate and solicit development solutions for which no repayment was required. The LVGs intended to support results from the community-based climate change adaptation and the sand and dust storm action plan, promote natural resource management and sustainable development in local area development planning and bring about changes in practices and behaviors of local communities throughout the area. During the project period, the LVGs were critical for gaining the trust of local communities and engaging them in the smooth implementation and delivery of the project objectives. The project supported local economic development during 2022-2023 through enhanced planning tools, establishing small- and medium-enterprises, and targeted livelihood development investments through Low-Value Grants. The activities carried out in output 3 are listed below along with their corresponding explanations:

1. An assessment was conducted to determine the biological carrying capacity of the Hamoun Landscape. The study aimed to identify the maximum number of organisms the region could sustain, and stakeholders were actively involved in exploring potential sustainable livelihood options. The assessment was conducted through a participatory approach.
2. A Local Economic Development Plan was designed through a participatory approach. Stakeholders and community members were engaged in collectively creating the plan, which aimed to promote economic growth and development at the local level. The plan took into consideration the unique characteristics and resources of the region with a focus on fostering sustainable economic activities.
3. The project supported the implementation of a thematic Action Plan, which involved issuing a call for proposals to local organizations and SMEs. The proposals focused on generating employment opportunities in the region, and the project played a role in supporting the selection and implementation of these projects.

4. The project provided support for the implementation of climate-smart agriculture practices, with a particular emphasis on efficient water management techniques. The intervention aimed to promote and facilitate the adoption of agricultural practices that were both environmentally sustainable and resilient to climate change, while also ensuring efficient use of water resources.
5. The Integrated Land Use Management Plan (ILUMP) for Sistan was developed, which emphasized the development of livelihood opportunities in areas prioritized for investment by the project. The plan included detailed action plans for various livelihood strategies, such as home businesses, climate-adapted agriculture, animal husbandry, aquaculture, environment and renewable energy, handicrafts, tourism and culture, and exports and cross-border exchanges.
6. A value chain development study was conducted to enhance the marketing and branding of regional products. The study analyzed the production, processing, and distribution of regional products, and key recommendations were formulated to increase their visibility and marketability.
7. The project allocated resources to assess the feasibility of various renewable energy projects. Feasibility studies were conducted to determine the technical, economic, and environmental aspects of these projects, with the goal of identifying viable options for investment in renewable energy sources. The project investments in renewable energy were focused on scoping the feasibility of various projects.

The main achievement from the output 3 is the support for regional sustainable economic development through enhanced planning tools and small- and medium-enterprise establishment. This includes conducting an assessment to determine the biological carrying capacity of the Hamoun Landscape, designing a Local Economic Development Plan, supporting the implementation of a thematic Action Plan, providing support for the implementation of climate-smart agriculture practices, developing an Integrated Land Use Management Plan (ILUMP) for Sistan, conducting a value chain development study, and assessing the feasibility of various renewable energy projects.

Output 4 "Effective Project Management."

During the initial year of the project implementation, the Project Management Unit's (PMU) efforts concentrated on establishing project governance mechanisms such as a project oversight board and several key platforms at the technical, policy, and community levels. Additionally, the PMU introduced the concept of participatory integrated natural resource management.

The participatory implementation strategy involved a diverse array of stakeholders, spanning technical, policy, and public/community domains, as well as UN agencies and donors. The extent of stakeholder engagement required a comprehensive assessment, which is ongoing across all baseline study work. The project envisioned extensive participation from the private sector, as well as collaboration with public and academic institutions and donor/UN agencies.

To ensure efficient and effective implementation, the team refined project's strategies in collaboration with key stakeholders at national and local levels. The team supported the establishment of roles for key sectoral engagement in implementation and prepared multi-year work plans during the first year. Upon completion of the integrated situational analyses and baseline work in June-August 2021, the project conducted a planning retreat in early September 2021, established smart monitoring mechanisms, and planned for full implementation.

The project identified an implementation approach with mechanisms for decision-making, monitoring, and coordination at various levels, which were continuously established. At the national level, a Steering Committee was formed, comprising representatives from key ministries, UNDP, and the European Union, to provide strategic guidance and oversight. At the provincial level, the project strategy capitalized on the existing Hamoun Wetlands Working Group as a participatory decision-making platform. The Hamoun Wetland Working Group had been operational since the development and approval of the Hamoun Wetlands Integrated Management Plan in 2017. The working group convened at least twice a year, chaired by the Governor of Sistan and Baluchestan Province and the secretary of provincial DoE. Provincial representatives of the project steering committee attended this forum.

Moreover, a Land and Water management-working group, including provincial representatives from MOJA and DoE, was established to support the implementation of related activities. Local stakeholder engagement occurred with the participation of their representatives, as well as through their active involvement in the platforms and meetings. The close engagement of local authorities and communities fostered a strong sense of ownership, which maximized the sustainability of the results achieved.

After extensive consultations, UNDP, DoE, and key stakeholders at the national and local levels refined the project implementation strategy, created a monitoring framework for interlinkages between the three outputs, and developed a detailed multi-year work plan. The national project team and provincial representatives from DoE and MOJA held face-to-face meetings with NGOs, community groups, and local cooperatives, including fishermen, handicraft makers, farmers, and ranchers, where project beneficiaries could voice their expectations and make recommendations.

High-level officials outlined their vision and set the strategic direction for the project at two launching ceremonies held at the national and provincial levels in June and August 2020, respectively. A series of additional meetings took place, including two meetings that brought together experts from DoE, MOE, and MOJA at the national level and their respective counterparts at the provincial level, three meetings with the planning and economical deputy of General Governor of Sistan and Baluchestan province, and two meetings with the provincial agricultural and natural resources management organization.

Building on the project document, the experts proposed some refinements to the project work plan, activities, and budget of the Action. Notably, the adaptations did not affect the basic purpose of the action (Annex I), and the proposed changes were limited to transfers within single budget headings in line with the provisions of Article 11.3 of the General Conditions of the Contribution Agreement.

A cross-sectoral mechanism for planning and oversight of project activities, entitled "Innovative Participatory Integrated Platform," was formed. The platform included national and provincial government and non-government entities, as well as academia engaged in the development of the Sistan area. It served as the main inter-sectoral coordination and planning means during project implementation and beyond.

The project's institutional and project implementation arrangements were established and aligned with the project document in 2020. The project management unit was formed at the Department of Environment (DoE) national office and Zabol regional office in the same year. The national staff consisted of a National Project Manager, Monitoring and Evaluation Specialist, and two Technical Specialists, as stated in the project document. The team also included an Administrative and Project Assistant, a Finance and Procurement Expert, and a Communication Officer. The national-level staff was recruited between May and August 2020, but the recruitment of regional staff was delayed by three months due to the COVID-19 pandemic. The project hired a Chief Technical Advisor in December 2020. Output four resources were allocated for further monitoring action and cross-cutting project support strategies, such as adaptive management, results-based monitoring, partnerships, knowledge networking, knowledge management, and visibility and communications support. All the strategies were prioritized.

In the year 2021-22, modifications were made to the project structure. The project management team revised the division of labor and staff between central and provincial offices based on the experiences from the first year of the project and the predominance of actions in the central office. Subsequently, the provincial administrative and program assistant and a technical expert on capacity development were employed to work in the central office while providing services to the local office.

Additionally, the third provincial technical expert was recruited and on boarded at the provincial office, bringing the total number of staff members to eight at the national and three at the provincial levels. Lastly, in Year 2, the national project manager terminated his contract, and the monitoring and evaluation specialist of the project had to assume the responsibilities of the NPM.

In December 2021, the first Project Board meeting was conducted with the participation of high-level officials from DoE, European Union, and UNDP, who served as the co-chairs of the committee, along with senior officials from MFA, MoJA, MoE, and MoI. The primary objective of the project board meeting was to report on the progress made, discuss the next steps, and review and approve the annual work plan and Communications and Visibility Strategy. For the year 2022, four resources were allocated for output four to intensify the monitoring of grants and provided support for other related project implementation strategies.

Additionally, visibility activities were implemented under this component, which involved visually documenting the region, creating the official bilingual project website, and disseminating the project brochure and notebook. The correspondent examples are available in online folder.



Figure 1 Communications and Visibility Examples

The progress made towards the targets for the activities outlined above in the years 2022-2023 is as follows:

- The project monitoring and reporting framework was upgraded, and monitoring activities, including the tracking of LVGs, were partially implemented following this improved framework.
- In December 2022, DG-INTPA commissioned a Results-Oriented Mission to evaluate the project progress. This mission aimed to assess the project's achievements and identify areas for improvement in the project's implementation.
- Management arrangements were significantly affected due to the frequent turnover of project staff and consultants. The Monitoring and Evaluation Expert, Communication Officer, Chief Technical Advisor, and UNDP Programme Analyst left the project in mid-2022, which created a staffing gap. However, replacements were hired for the CTA and the UNDP Programme Analyst, and a new National Project Manager was recruited. Despite these efforts, the posts of Deputy National Project Manager (cum M&E Expert) and Communication Officer remained vacant in the second half of 2022. During this critical period, UNDP provided intensive backstopping to ensure a smooth transition. The Head of the Programme Support Unit and the UNDP Programme Analyst provided in-depth support to overcome challenges related to project monitoring and the meaningful engagement of the CTA. After the donor's announcement in December 2022, the project team was reduced to five national and three provincial staff members, resulting in a leaner and more agile team.

The Sistan project database was designed to store the data acquired in the project and increase the capacity and awareness of various stakeholders. This database aimed to facilitate the management of project-related data, including baseline data, monitoring data, and evaluation data. The database was designed to be user-friendly, enabling various stakeholders to access and use the data easily. The Sistan project database provided an essential platform for evidence-based decision-making, enabling the project team to track progress towards the project's objectives.

IV. PROJECT RISKS AND ISSUES

The project faced several risks and challenges that significantly impacted implementation, progress, and financial stability. The project team has made efforts to adapt and mitigate the impact of these constraints through various measures, such as utilizing online platforms, seeking independent funding, and engaging with relevant authorities and stakeholders:

- **Operational Constraints:** The COVID-19 pandemic slowed down the pace of implementation and limited missions and activities, particularly in the Sistan and Baluchestan Province, which was classified as a COVID red zone. To mitigate these effects, the project utilized online platforms, provided necessary equipment and PPE, and organized virtual meetings.
- **Financial instability:** Exchange rate fluctuations, particularly the appreciation of the USD and Euro against the Iranian Rial, affected planning and budgeting.
- **Political Challenges:** The political developments in Afghanistan influenced the implementation of cross-border activities and could lead to migration and hinder investments. Additionally, in Iran, changes in the government personnel and authorities caused delays as new officials were unfamiliar with the project. Justification and documentation of the project's objectives and achievements were necessary to inform new authorities.
- **Water Resource Challenges:** The construction of the Kamal Khan Dam in Afghanistan led to a substantial decrease in downstream discharge into Iran, severely affecting the Sistan region's water supply. Iran redirected limited water to artificial reservoirs, accelerating the drying rate of the Hamoun Wetlands. The ongoing conflict in Afghanistan further hindered enforcement of the Helmand River treaty, restricting transboundary activities near the borders.
- **Funding Constraints:** The decision to halt further project financing created significant funding challenges.
- Community resistance was another unexpected challenge that emerged during the reporting period. Certain stakeholders expressed hesitation in adopting new methodologies and capacity-building initiatives, often due to uncertainty or mistrust in the outcomes. To address this, the project emphasized participatory planning processes and tailored communication strategies, fostering trust, and encouraging community buy-in for these innovative practices.
- Administrative delays in approving Low-Value Grants (LVGs) further impeded the timely initiation of pilot projects. Additionally, some grant recipients struggled with financial management and marketing, which hindered the successful implementation of their initiatives. By providing targeted training on grant management and proposal development, the project sought to overcome these issues while refining selection criteria and expediting approval processes to ensure timely execution.

- Institutional challenges also emerged, particularly high staff turnover in key technical and managerial roles. This turnover disrupted project continuity and delayed the execution of critical tasks. In response, the UNDP provided intensive backstopping and interim staffing support to maintain project momentum. The team also introduced streamlined approval procedures to address these bottlenecks and ensure smoother operations.

Through adaptive management and proactive mitigation measures, the project successfully navigated these risks, ensuring continued progress toward its objectives while laying the groundwork for sustained impact in the region.

V. LESSONS LEARNED

The Sistan Project provided valuable insights into sustainable development programming in complex and resource-constrained environments. These lessons reflect the project's strengths, challenges, and opportunities for refinement, offering a roadmap for future initiatives.

1. Key project successes and factors which supported these successes:

The project's achievements highlight its transformative potential:

- **Strengthened Capacities:** The project enhanced the ability of community groups and government institutions to engage in participatory, cross-sectoral planning and natural resource management. This foundation has strengthened collaborative decision-making processes.
- **Institutionalized Coordination:** By fostering collaboration among diverse stakeholders, the project institutionalized mechanisms that address environmental challenges cohesively and sustainably.
- **Innovative Solutions:** The integration of approaches like climate-smart agriculture and local economic development demonstrated how adaptive, data-driven solutions can address both environmental and socio-economic challenges.
- **Enduring Legacy:** Despite the project's early termination, its demonstrated models and technical solutions remain a reference for future climate adaptation and sustainable development efforts.

2. Difficulties encountered and measures taken to overcome these difficulties:

The project faced several challenges that tested its adaptability:

- **Suspension and Termination:** The project's suspension and eventual termination disrupted implementation.
- **Pandemic Restrictions:** COVID-19 delayed activities and restricted fieldwork, particularly in high-risk areas.
- **Geopolitical Instabilities:** Regional instability, especially in Afghanistan, created barriers to transboundary cooperation and posed security risks.
- **Administrative Bottlenecks:** Delays in approvals and turnover of government personnel affected the pace and continuity of activities.

In response, the project team adopted measures such as leveraging virtual platforms, prioritizing localized interventions, and maintaining proactive engagement with stakeholders to mitigate these disruptions. Central takeaway is the importance of building local capacities and institutionalizing coordination among stakeholders. The project successfully enhanced

community and government engagement in participatory planning and natural resource management, laying the groundwork for sustained collaboration across sectors. Moreover, the integration of innovative solutions like climate-smart agriculture demonstrated how adaptive, data-driven approaches can effectively address both environmental and socio-economic challenges, even under adverse conditions. The enduring legacy of the project lies in its models and technical solutions, which continue to inform future climate adaptation.

Areas for Improvement and Recommendations for Future Programming:

Reflecting on the project's experiences, several key areas for improvement and actionable recommendations emerge:

- **Proactive Risk Management:** Embedding robust risk assessment and contingency planning into project designs will help mitigate disruptions from funding uncertainties and geopolitical challenges. Adaptive mechanisms should be incorporated to allow for swift responses to changing conditions, ensuring resilience and continuity.
- **Streamlined Administrative Processes:** Simplifying procedures for approvals and grants would accelerate implementation and maximize impact. Clear and efficient workflows can reduce delays and enhance productivity.
- **Enhanced Stakeholder Orientation:** Comprehensive sensitisation of new stakeholders can improve alignment with project goals and reduce delays caused by leadership transitions. Building capacity and fostering shared understanding early in the project lifecycle is essential.
- **Leverage Digital Tools:** Expanding the use of technology for training, stakeholder engagement, and monitoring can enhance efficiency, inclusivity, and project reach, even in constrained environments.
- **Prioritize Local Knowledge:** Integrating indigenous practices and culturally relevant solutions will increase community acceptance and ensure the ownership and subsequently the sustainability of interventions.
- **Focus on Exit Strategies:** Developing detailed sustainability plans will ensure that project achievements are maintained and scaled by local stakeholders' post-implementation. A well-designed exit strategy is critical for fostering long-term impact.

VI. CONCLUSIONS AND WAY FORWARD

The Sistan Project in Iran provided important achievements on sustainable development in complex and resource-constrained settings. Key successes of the project include the strengthening of local capacities, fostering inter-institutional coordination, and the adoption of innovative approaches such as climate-smart agriculture. These efforts enabled the project to effectively address both environmental and socio-economic challenges. The project also faced significant disruptions, including the COVID-19 pandemic and regional geopolitical instability, which hindered implementation. Despite these challenges, the project team demonstrated remarkable resilience, leveraging digital platforms, prioritizing localized interventions, and maintaining strong relationships with stakeholders. The project's enduring impact lies in its models and technical solutions, which continue to inform future initiatives in climate adaptation and sustainable development in the region.

Looking forward, similar initiatives in Iran should build on the result achieved from the Sistan Project by focusing on enhancing resilience, efficiency, and long-term sustainability. A key priority should be the integration of proactive risk management, including comprehensive risk assessments and contingency plans, to ensure projects can quickly adapt to external challenges such as funding shortfalls or political instability. Simplifying administrative processes, will accelerate project implementation and improve overall effectiveness. Strengthening stakeholder orientation through comprehensive onboarding and capacity-building initiatives will ensure alignment with project goals and help mitigate disruptions caused by leadership transitions. Emphasizing the integration of local knowledge and indigenous practices will increase community ownership and ensure the sustainability of interventions. Finally, the development of clear exit strategies and robust sustainability plans will help secure the long-term impact of projects, ensuring that outcomes are sustained and scaled by local stakeholders long after the formal conclusion of the initiative.

However, the suspension and termination of the Sistan Project have had negative consequences disrupting ongoing efforts, weakening trust with stakeholders, and putting the sustainability of its achievements at risk. Opportunities to build on the project's successes or replicate its approaches are being explored.

Revisiting efforts in the region will require rebuilding trust and relationships with the local community. Consistent and long-term support will be vital to regain momentum and achieve the lasting benefits initially envisioned by the Sistan Project.

VII. PROGRESS TOWARDS TARGET INDICATORS

Expected Outputs	Complementary Indicators	Results By Actions and Per Indicators
Output 1 Capacities, institutional arrangements, and coordination mechanisms among key stakeholders developed in the Hamoun wetlands	1.1 # comprehensive capacity and needs assessment documents Target: 1	Project target met. Comprehensive capacity and needs assessment completed. Progress towards the target: 1/1 completed.
	1.2 # of capacity building plans developed and implemented Target: 3	Project target partially met. 5 capacity building activities were under progress; however, they could not be completed due to early project termination. 1. 30 village-level community mobilization action plans on natural resource management and livelihood development for pilot villages in Sistan were developed. They were not implemented due to the termination of the project. 2. An action plan for functional capacity development of 60 government organizations was developed. The implementation of the capacity plan was completed for technical government organizations, whereas this could not be completed for administrative government organizations due to the premature termination of the project. 3. All 120 pilot villages of Sistan have been screened according to CEPA (Communication, Education, Participation, and Awareness raising) criteria, and an overall CEPA Action Plan was developed. In 60 villages with the highest readiness, in-depth analyses were carried out, and village-level CEPA Action Plans were created. However, they could not be implemented due to project termination. 4. A Women Economic Empowerment Action Plan was developed, targeting female-only CBOs.

Expected Outputs	Complementary Indicators	Results By Actions and Per Indicators
		5. An Anthropological study in the Sistan region with a special focus on comprehensive management of natural resources and socio-economic development was completed. <u>Progress towards the target:</u> 2/3 completed.
	1.3 # of local and provincial arrangements and coordination mechanisms enhanced (the multi-sectoral working group for wetland restoration) Target: 5	Project target not met. According to the new activities defined in 2022, new coordination mechanisms were compiled regarding the following issues, but they were not officially approved at the project time duration: 1. MoU between the DoE, Governorate of Sistan-Baluchistan, Renewable Energy Deputy under the Ministry of Energy, and Fishery Organization under the Ministry of Jihad Agriculture for increasing resilience and efficiency of fisheries in Sistan. 2. MoU between DoE and Renewable Energy Deputy under the Ministry of Energy for generating electricity under reduced carbon emissions. 3. MoU between DoE and the Governorate of Sistan-Baluchistan for clean and safe drinking water supply in Sistan. <u>Progress towards target:</u> 3/5 completed.
	1.4 # of bilateral technical working groups at the senior expert level established or enhanced (one on livelihoods and one on land and water management) Target: 2	Project target met. The project has established technical working groups in Fishery, Energy, and Wastewater. <u>Progress towards target:</u> 3/2 completed.
	1.5 # of bilateral consultation workshops and field visits for senior experts and local authorities conducted Target: 9	No progress toward the project target.

Expected Outputs	Complementary Indicators	Results By Actions and Per Indicators
	1.6 # of transboundary events and initiatives Target: 5	No progress toward the project target. Due to the constraints presented by the political situation in Afghanistan in 2022 and 2023 as well as the project suspension no project activities could be implemented. <u>Progress towards the target:</u> 0/5 completed.
Output 2 Sustainable land and water management and wetland restoration measures implemented	2.1 # of Climate change adaptation action plan developed Target: 1	Project target met. Two universities were contracted to customize a data-based model investigating the interrelationships between climate change, water, energy, land use, and job generation in Sistan based on national and international datasets (CLEWs). The model has been parametrized, tested, and applied, running different realistic scenarios. Results of the CLEWs model are presented as a basis for preparing a Climate Change Adaptation Plan for Sistan. <u>Progress towards the target:</u> 1/1 completed.
	2.2 # of interventions supported by the Action Plan Target: 13	Reporting period targets partially met. Though the Climate Change Adaptation Action Plan under Indicator 2.1 was not prepared, the project has, through a transparent stakeholder process, identified five critical climate change adaptation interventions: 1. Fire monitoring platform, based on detailed analyses of climate-related fire risk, completed to 33%. 2. Community fire awareness, community-based fire prevention, and management, including capacity building, institutional development, and primary fire control equipment supply. 3. Opportunities for community-based pasture management in Sistan and preparation of a participatory pasture management plan completed to 80%. 4. Participatory flood management for priority areas completed to 50%. 5. Local knowledge-based solutions to mitigate the impacts of sand and dust and an action plan to pilot traditional sand and dust control measures completed to 97%. <u>Progress towards the target:</u> 6/13 completed.

Expected Outputs	Complementary Indicators	Results By Actions and Per Indicators
	2.3 # of people benefited from sand and dust storms/drought mitigation measures thanks to the support of Low-Value Grants and investments Target: 50	Project target not met. The action plan was developed but not implemented in any of the villages due to premature project termination. <u>Progress towards the target:</u> 0/50 completed.
Output 3 Strategy and plan of action for sustainable and climate-smart agriculture and alternative livelihoods developed and priority actions implemented	3.1 # of participatory thematic Action Plans to promote alternative livelihoods developed (tourism, agriculture, and SMEs) Target: 3	Project target met. Changing circumstances rendered the development of a participatory Local Economic Development Plan irrelevant; more targeted economic development activities in the field of marketing, renewable energy, and land use planning were defined and implemented to support alternative livelihoods and achieve development goals: - Marketing and branding of regional products were developed as part of a value chain development study. - The Integrated Land Use Management Plan (ILUMP) with a particular focus on livelihood development along the main areas of investment by the project - Various renewable energy projects <u>Progress towards the target:</u> 3/3 completed.
	3.2 # of sustainable alternative livelihoods initiatives implemented in pilot villages Target: 22	Reporting period targets partially met. The project initiated several sustainable livelihood initiatives during the reporting period; however, none were fully completed. Examples include: - water refinery system to provide a safe and high-quality drinking water supply for 118 villages. - The 20-kW solar power plant at Zabol University - mechanization and equipping of fish farms in the Sistan region. <u>Progress towards the target:</u> 16/22 completed.

Expected Outputs	Complementary Indicators	Results By Actions and Per Indicators
	3.3 % of water efficiency increase in pilot farms Target: 45%	No towards the AWP target. Given that no physical activities contributing towards increased water efficiency in pilot farms have been implemented due to project termination, progress towards the target is expected to be 0%. <u>Progress towards the target:</u> 0%/45% completed.
	3.4 # of farmers who apply sustainable agriculture practices in their farms (disaggregated by gender) 1,200 farmers in 120 villages	Project targets partially met. In 2022, the project developed 4 quick-win projects on agriculture and husbandry, engaging 5 farmers. The negotiations on the preparation of community-based pasture management were ongoing with the participation of 105 livestock herders. <u>Progress towards the target:</u> 5 villages/(1200 farmers * 120 villages) completed.
	3.5 # women's cooperatives enhanced or established Target: 10	Project targets partially met. 4 female CBOs have been established and are fully operational. <u>Progress towards the target:</u> 4/10 completed.
	3.6 # Of households that increased their income as a result of the project support (disaggregated by gender) Supported by local economic development and alternative livelihood initiatives: 330 Supported by the women's cooperatives: 200 Supported through climate-smart agribusiness and agriculture initiatives: 1200) Target: 8,650 HH (55% women)	Unable to assess progress towards the project target. This impact indicator was supposed to be assessed using a dedicated survey in the project's final year. Several project interventions targeted agricultural investments and other livelihood activities to benefit local community members, including women. At the time of reporting, 530 beneficiary households of 11 LVG were benefitting from project investments. <u>Progress towards the target:</u> Not able to assess/8650 households for the entire project period.