United Nations Development Programme

Country/Region/Global: Iran/ RBAP

Initiation Plan

Project Title		To develop and operationalize a Project Document (ProDoc) to improve rural resilience in **desert and forest ecosystems of Iran** through integrated solar energy systems, green fund, and community-led socio-economic development.
Expected UNSDCF/CPD Outcome(s)	:	Outcome 1.1: By 2027, environmental conservation and integrated natural resource management are enhanced and the capacity to address climate change challenges is strengthened
Expected CPD Output(s)	:	Output 1.2.: Solutions developed to reduce poverty and economically empower people leaving in vulnerable situations to enhance their resilience. Output 1.3.: Innovative, inclusive, and sustainable employment programmes are developed with UNDP support involving micro small and medium enterprises and cooperatives contributing to reduction of unemployment and inclusive growth
Initiation Plan Start/End Dates	:	January 2026 –January 2027
Implementing Partner	:	Natural Resource and Watershed Management Organization (NRWO) and the Ministry of Jihad Agriculture (MOJA)

Brief Description

This initiation plan aims to design, validate, and operationalize a **scalable, ecosystem-based rural resilience model** across **desert and forest ecosystems in Iran**, integrating renewable energy, community governance, and inclusive financing mechanisms.

The model is anchored in the deployment of **community-owned solar power plants**. These systems which will support the sustainable resources of the project through clean energy generation and connection to the national power grid, will operate under a feed-in tariff mechanism and are expected to provide extra generated electricity for national grid.

In parallel, to promote inclusive economic empowerment, the project will establish **Village Development Cooperatives (VDGs)**, composed of representatives from **green funds per pilot site**, with each fund will be consisting of approximately 15 members. The revenue generated from solar energy will be channeled into the VDGs. Across all pilots, this structure will mobilize **VDG groups**, ensuring broad-based participation of local communities, particularly **women and youth**. Participants will contribute to their respective green fund, and the project will match these contributions to further support them.

These cooperatives will allocate financial resources through transparent governance mechanisms, providing loans to members for environmentally sustainable and income-generating activities. This establishes a **closed-loop financing system**, whereby renewable energy revenues continuously support local economic development.

The project will directly support **community members** through targeted **technical, financial, and vocational training**, strengthening capacities in renewable energy management, sustainable livelihoods, and cooperative supports. The initiative is structured around **two ecosystem-specific outputs (desert and forest)** and one cross-cutting output with the objective of producing a **bankable, replicable model scalable to at least 21 additional regions across Iran**.

Following the completion of the above objectives, the results will be used to develop a national roadmap to to refine project formulation, ensuring alignment with national development priorities to develop a Project Document (ProDoc).

Programme Period:	2023-2027
Quantum Project Number:	TBC
Quantum Output Number:	TBC

Total resources required	608,254.12
Total allocated resources:	608,254.12
• Regular	300,000
• Other:	
○ Donor	0
○ Government	308,254.12
Unfunded budget:	0
In-kind Contributions	

Agreed by:

Government	UNDP
Dr. Reza Aflatouni Deputy Minister of Agriculture-Jahad and Head of Natural Resources and Watershed Management Organization	Ms. Ayshanie Medagagngoda- Labe Officer in Charge (OIC)
Date: 23/06/2026	Date: 23/06/2026

I. PURPOSE AND EXPECTED OUTPUT

Some rural communities in Iran face a cycle of environmental degradation, socio-economic vulnerability, and over-reliance on natural resources—such as overgrazing pasturelands and cutting trees for fuel. This has led to soil erosion, threatened biodiversity, declining agricultural productivity, and reduced ecosystem services. Coupled with escalating climate change impacts, these challenges have eroded rural livelihoods, forced many families into poverty, and driven rural-to-urban migration.

Although energy in Iran is affordable and accessible, rural communities remain more reliant on natural resources for energy and livelihood needs, with limited access to sustainable alternatives. Addressing these interconnected challenges requires a transformative, integrated approach combining renewable energy, community-driven governance, and green financing to rebuild resilience and empower rural communities.

1. Renewable Energy as a Catalyst for Economic Empowerment

At the centre of this initiative are 10 solar farms designed as a catalyst for economic growth. Installed on land provided by local village leaders/Directorates of NRWO in the target provinces (covering Kerman, South Kerman, Golestan, and Razavi Khorasan for arid-land areas, and Fars, Kurdistan, Kermanshah, Chaharmahal and Bakhtiari, Lorestan and Kohgiluyeh and Boyer-Ahmad for forest ecosystems), the farms will collectively generate electricity annually, connected to the national power grid through a guaranteed feed-in tariff system. This ensures a reliable annual revenue stream supporting community-led initiatives from the very first day of operation.

- **Revenue and CAPEX Considerations:** The project will fully cover the capital expenditure (CAPEX) required for all solar farms, including installation and commissioning. From the first day of operation, income generated will cover operational and maintenance costs and fund community-driven initiatives and green ventures.
- **Operation and Maintenance:** Costs including panel cleaning and biannual inspections are minimal and will be continuously funded from solar farm revenue. Local technicians will receive training to handle both routine and emergency maintenance.

2. Village Cooperatives and Green Funds for Inclusive Development

Solar farm revenue will be managed by the Board of Directors (BD) of 10 Village Development (VD) cooperatives — one per pilot area — each comprising representatives elected by 45 community green groups. These groups, each with 15 members, will empower community members, particularly women and youth, through small-scale investments in sustainable livelihoods. At least 675 community members across the target villages will receive training in technical skills, financial management, and sustainable livelihood practices.

- **Green Structure:** Members save into their respective green fund, and the project leverages these contributions to enhance the pool of available resources. This creates a foundation for small loans to support eco-friendly ventures, such as sustainable agriculture and small-scale production.
- **Cooperative Governance:** Each green group elects a head to represent them on the cooperative board, ensuring democratic decision-making. Proposals for community investments are reviewed and prioritised transparently, reflecting collective needs.
- **Vocational Training and Capacity Building:** Women and youth are prioritised to promote inclusivity and leadership development across all pilot sites.

3. Income Allocation for Community-Led Ventures

The solar farms' income will directly fund community-driven activities, ensuring that benefits are distributed equitably across all 10 pilot cooperatives:

- **Short-Term Investments:** From the first day of operation, revenue covers operational and maintenance costs and supports activities such as registration fees for digital markets, eco-friendly packaging, and facilitator support for green ventures.

- **Medium-Term Growth:** Beyond initial operational costs, each cooperative allocates funds for additional loans to the best-performing proposals, selected based on demonstrated impact. This reinvestment cycle ensures sustained community growth and resilience.
- **Long-Term Sustainability:** By continuously supporting successful ventures, each cooperative builds a robust system where renewable energy generation drives local economic empowerment.

In addition, the initiative will undertake a comprehensive assessment, design, and piloting process to validate the proposed rural resilience model across both desert and forest ecosystems. This process will include baseline assessments, technical and socio-economic analyses, ecosystem-specific studies, and participatory community consultations to identify appropriate renewable energy solutions, livelihood opportunities, governance mechanisms, and financing approaches tailored to each pilot area. Based on these assessments, pilot interventions will be implemented and monitored to evaluate technical feasibility, operational sustainability, community ownership, environmental impact, and economic viability.

In selected pilot areas, the initiative may also establish Climate Change Park and Living Laboratory components as integrated demonstration, training, and knowledge-generation platforms to support ecosystem restoration and community resilience. These pilot platforms will serve as practical field hubs for showcasing climate-smart and nature-based solutions, including renewable energy applications, sustainable watershed and pastureland management approaches, drought- and salinity-resilient species, climate-smart agriculture, and community-based livelihood models. The Climate Change Parks will further support public awareness, technical training, ecosystem monitoring, and participatory learning for local communities, youth, government stakeholders, and technical institutions, while generating operational evidence and lessons learned to strengthen model validation, replication, and future scaling efforts. Particular attention will also be given to promoting the water–energy–food–ecosystem nexus approach as part of integrated rural resilience and sustainable livelihood planning.

The results and lessons learned from the pilots will be systematically documented to refine and optimise the proposed model and assess its replication potential. The ultimate objective of this process is to develop a comprehensive national roadmap and a fully formulated Project Document (ProDoc) for a scalable and bankable programme, including technical standards, governance arrangements, financing mechanisms, operational frameworks, and implementation modalities. The initiative is expected to establish a validated model with the potential for replication and scaling to at least 21 additional regions across Iran, supporting long-term ecosystem restoration, rural resilience, and inclusive green economic development.

II. II. Management Arrangements

This Initiation Plan will be implemented through a structured, collaborative framework between Natural Resource and Watershed Management (NRWO) and UNDP. NRWO will ensure sound implementation of this initiation plan towards achieving its goals and objectives in line with the fundamental principles of national ownership and leadership and ensures full alignment of activities with the Government's development policies, sectoral priorities, and the fundamental principles of national ownership and leadership. UNDP and NRWO will also work with other stakeholders to ensure achievement of intended results of this Initiation Plan.

UNDP will provide technical advisory support, fiduciary oversight, and quality assurance throughout the implementation period, drawing on its programmatic expertise in renewable energy, inclusive development, and community-based governance. Quality assurance of all outputs will be led by the UNDP Resident Representative, supported by designated programme staff and a dedicated Programme Analyst responsible for day-to-day coordination, results monitoring, and stakeholder engagement.

The Steering Committee will be co-chaired by Natural Resource and Watershed Management (NRWO) and UNDP. It includes other stakeholders at local level. Strategic oversight will be conducted by the Steering Committee and also contribute to this coordination mechanism and when needed, ensuring better design and implementation of the activities mentioned in this document.

III. III. MONITORING

The following monitoring mechanisms will be in place for this Initiation Plan implementation:

- UNDP and NRWO will convene quarterly meetings with counterparts to review progress and share priorities for each quarter.
- Where necessary, site visits will be conducted to ensure smooth implementation of project activities.
- An Initiation Phase Report will be prepared at the end of the Initiation Plan in full coordination with NRWO using the standard UNDP format available in the Executive Snapshot.

This initiation phase will be jointly monitored by NRWO and UNDP through the following monitoring plan:

Monitoring Activity	Purpose	Frequency	Expected Action	Partners & Cost
Track results progress	Progress data against the results indicators in the workplan will be collected and analysed to assess initiation phase progress in achieving agreed outputs.	Quarterly, or as required for each indicator.	Slower than expected progress will be addressed by project management.	UNDP and NRWO
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. 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. The risk log is actively maintained.	UNDP and NRWO
Learning	Knowledge, good practices and lessons will be captured regularly, sourced from other projects and partners and integrated into the project.	Once in the lifetime of the project	Relevant lessons are captured by the project team and used to inform management decisions.	UNDP and NRWO
Project Report	A final Initiation Phase Report will be prepared and presented to the	At the end of project implementation	The project report is prepared and confirmed.	UNDP and NRWO

	meeting of counterparts at the end of the Initiation Phase.			
Project Review	The project's coordination meetings will be held as and when needed to review and assess the performance of the initiation plan.	At least once in the project life cycle.	Any quality concerns or slower than expected progress should be discussed among project governance and management. Management actions agreed to address issues identified.	UNDP and NRWO
Review and disseminate the project results in national and international scale	Knowledge exchange, successful experiences, and lessons learned are systematically documented and shared with stakeholders through appropriate mechanisms.	Two times in the project life cycle.	Relevant lessons learned are collected by the project team and utilized to support management decision-making processes.	UNDP and NRWO

IV. WORK PLAN

Period[1]: January 2026 –January 2027

Expected Outputs & Baseline, Indicators, Annual Targets	Planned Activities	Q1	Q2	Q3	Q4	Responsible Party	Funding Source	Budget Description	Amount (USD)
Output 1: Renewable Energy Generation **Baseline:** No renewable energy infrastructure currently exists in the 10 selected pilot areas. **Indicators:** Installed capacity of solar farms (kW). **Targets:** Install and operationalize 10 grid-connected solar farms (20–100 kW each, totalling up to 500 kW).	1.1 Conduct feasibility studies to identify suitable land for solar panel installation in all 9 pilot areas.	✓				NRWO & UNDP	Gov. CS	71300 – National Consultant Services to Projects - 74596 Direct Project Cost - Services provided by CO Staff-64397	14,500
	1.2 Procure and install solar panels, ensure grid connection and alignment with community needs.	✓	✓	✓		UNDP	UNDP (TRAC)	72200 – Equipment & Machinery Services to Projects - 74596 Direct Project Cost - Services provided by CO Staff-64397	251,712.70
	1.3 Hold 4 national and provincial training workshops on solar energy benefits, operation, and maintenance.		✓	✓		UNDP	UNDP (TRAC)	72100 – Contractual Services Services to Projects - 74596 Direct Project Cost - Services provided by CO Staff-64397	18,288.30

[1] Maximum 18 months

	1.4 Develop and implement the linkage o for electricity sales to support transparent reinvestment into Green Funds.			✓	✓	NRWO & UNDP	Gov. CS	72100 – Contractual Services Services to Projects - 74596 Direct Project Cost - Services provided by CO Staff-64397	1,000
Output 2: Community Economic Empowerment through Cooperative Structures **Baseline:** 0 cooperative structures in the target pilot areas. **Indicators:** Number of green funds established. **Targets:** Establish 10 Village Development (VD) cooperatives (one per pilot), each comprising 45 green groups with 15 members each, with 80% of the village population engaged in economic activities.	2.1 Establish and operationalize community Green Funds across all pilot areas through community mobilization, beneficiary onboarding, facilitation services, and delivery of technical, vocational, financial literacy, and cooperative management capacity-building programmes.	✓	✓			NRWO	Gov. CS	72100 – Contractual Services Services to Projects - 74596 Direct Project Cost - Services provided by CO Staff-64397	74,879
	2.2 Support the formal establishment and institutional strengthening of Village Development Cooperatives (VDCs), including development of governance frameworks, bylaws, operational procedures, representation mechanisms, and financial management and accountability systems.		✓	✓		NRWO & UNDP	Gov. CS	72100 – Contractual Services Services to Projects - 74596 Direct Project Cost - Services provided by CO Staff-64397	9,000
	2.3 Provide technical and operational support to Village Development Cooperatives to manage solar-generated revenues, administer Green Fund financing mechanisms,			✓	✓	NRWO & UNDP	Gov. CS	72100 – Contractual Services Services to Projects - 74596 Direct Project Cost	80,000

	maintain cooperative financial operations, and facilitate the provision of small-scale financing for nature-based, climate-compatible, and income-generating community initiatives.							- Services provided by CO Staff-64397	
Output 3: Scalable Model for Sustainable Rural Development **Baseline:** No framework for scaling renewable energy and community-led cooperative development. **Indicators:** Data collected on project implementation and outcomes; completion of scalability and replication report. **Targets:** Develop a replicability report outlining best practices and lessons learned.	3.1 Analys results and insights from the pilot project to evaluate its impact.			✓		NRWO & UNDP	Gov. CS & UNDP	71300 – National Consultant Services to Projects - 74596 Direct Project Cost - Services provided by CO Staff-64397	5,000
	3.2 Prepare a replicability report including financial models, governance structures, and community engagement strategies.				✓	NRWO & UNDP	Gov. CS	71300 – National Consultant Services to Projects - 74596 Direct Project Cost - Services provided by CO Staff-64397	15,000
	3.3 Identify opportunities and partnerships for scaling the project to other rural regions.				✓	UNDP	UNDP (TRAC)	71300 – National Consultant Services to Projects - 74596 Direct Project Cost - Services provided by CO Staff-64397	4,620.48
	3.4 Establishment of climate change education and empowerment park				✓	UNDP	Gov. CS	71300 – National Consultant Services to Projects - 74596 Direct Project Cost	52,620.48

								- Services provided by CO Staff-64397	
	3.5 Holding study tour and Training workshops (hybrid format)				✓	UNDP	UNDP (TRAC)	71300 – National Consultant Services to Projects - 74596 Direct Project Cost - Services provided by CO Staff-64397	10,099
	3.6 Development of Project Document				✓	UNDP	UNDP (TRAC)	71300 – National Consultant Services to Projects - 74596 Direct Project Cost - Services provided by CO Staff-64397	1,000
Project Management Unit	Establishment of Project management unit					NRWO & UNDP	Gov. CS & UNDP	71452- Labour cost 71300- National consultants Services to Projects - 74596 Direct Project Cost - Services provided by CO Staff-64397	5,000
	Setup and equipping of project offices in pilot provinces					NRWO	Gov.	72210- Equipment Services to Projects - 74596 Direct Project Cost - Services provided by CO Staff-64397	10,000
	Production of clips, films, infographics, brochures,					NRWO & UNDP	Gov. & UNDP	72100 – Contractual Services	5,000

	promotional materials, press conference, annual report							71300- National consultants Services to Projects - 74596 Direct Project Cost - Services provided by CO Staff-64397	
Direct Execution Support (DES)									**27,700**
General Management Support (GMS)									**22,833.64**
TOTAL									**608,254.12**