

CARBON SEQUESTRATION PROJECT

ADDENDUM

May 5, 2013

Addendum for the Addition of Four Pilot Sites in Bushehr , Semnan, Alborz and Markazi Provinces Utilising National Resources and UNDP Technical Assistance

The Islamic Republic of Iran is significantly affected by desertification and has set the rehabilitation of degraded lands as one of its top priorities. The Carbon Sequestration project (CSP) was designed in 2004 (Phase I) to demonstrate that desertified rangelands can be cost-effectively reclaimed by, and for the benefit of, local people and that there is significant potential to sequester carbon in plants and soil in these areas for overall global benefit. The project uses participatory approaches to mobilize stakeholder communities and empower them to do rehabilitation work on their own.

The projects' achievements have well indicated local capacity building, women and men's empowerment, small enterprise generation and the participation of local villagers in cost-efficient rehabilitation and management of degraded rangelands. The project methods ability in ensuring that people, particularly women, are fully involved with and collaborate in the sustainable management of natural resources has been highlighted as a major achievement.

Following such outcomes, the Forest, Range and Watershed Management Organization (FRWO) and the United Nations Development Programme (UNDP) have now agreed to further strengthen institutional capacities for this approach, replicate the methods and mechanisms in other areas and also work towards scaling-up the methods and outcomes of the project into national level medium term and long term planning frameworks. Signing the first addendum for two provinces indicated Government's intention of replication in two new sites of Kerman and Tehran Provinces. The Governor Generals of the two Provinces also indicated their intention to support with provincial level funding and assistance.

This new addendum to the original CSP project document intends to specify national implementation and UNDP technical support for the replication process in four new provincial sites, namely in Bushehr, Semnan, Alborz and Markazi Provinces.

Project Background

The Carbon Sequestration project (CSP) has been successful in establishing and demonstrating a model for community-based approaches to natural resource management. Phase I of this project showed achievements in local capacity building, women and men empowerment, small enterprise generation and participation of local villagers in cost-efficient rehabilitation and management of degraded rangelands. While Phase II achievements (through replication in an expanded project area - now encompassing 40 villages, 1,519 households, and a population of 6,735) has also strengthened the CSP's achievements in ensuring that people, particularly women, are fully involved with and collaborate in the sustainable management of natural resources. The specific social mobilization and micro-credit mechanisms employed by the project, including the Village Development Group (VDG) network and revolving micro-credit/saving schemes, have shown significant robustness, versatility and impact. Likewise, the participatory and collaborative rehabilitation of rangelands has proved effective and cost-efficient. Major achievements of the CSP have included:

- ✓ Significant progress in establishing the *Village Development Groups*, thus achieving ownership and buy-in from the local communities: 60 VDGs, including 16 for men, 11 for women and 33 mixed-gender groups. Of well over 1,000 VDG members, nearly 50% are women.

- ✓ A set of *micro-credit/saving schemes* at VDG level that have funded 740 loans for income generation and support to ongoing production. The scheme has been a valuable tool for community mobilization and income generation.
- ✓ Local communities have been *mobilized* to take part in all stages of rehabilitation activities such as site and species selection, plantation and protection and also collection of seeds from various local species needed for the next year's planting. This has led to the participatory rehabilitation and conservation of 13,572 hectares of degraded areas.
- ✓ Nearly 81% *reduction in the consumption of fuel-wood* by local communities as a result of the introduction of new sources of energy.
- ✓ Enhanced *vocational skills* among local inhabitants, particularly women, and establishment of 130 small business initiatives that contribute to improved livelihoods at the village level.
- ✓ Preparation of *Village Sustainable Development Plans* by villager members of VDGs.
- ✓ Development of a *marketing strategy and four business plans* for enhancing the sale of rural products.

Phase III – Replication in New Provinces

Raising awareness at district, provincial and national levels regarding the potential of partnership with local communities to restore, protect and develop the natural resources base is crucial for sustainable development. The new understanding by the Government (through a recent Cabinet ratification) on further expanding the successful CSP methods and mechanisms is very positive. In addition to Kerman and Tehran, specifically, four new selected sites in Bushehr, Semnan, Aborz and Markazi provinces have been chosen which provides the potential for realizing the basis for collaborative and integrated resources management approaches in the country.

Increased institutional strengthening of FRWO and Provincial Governorate organizations through replication of methods is the main objective of this Phase III, followed by actions to ensure up-scaling at the national medium term planning level (e.g. at Strategic Planning and Control department and at Ministry of Jihad Agriculture). UNDP and FRWO have now agreed on this, and the latter has assured UNDP of the mobilization of national and provincial co-funding resources for this purpose.

Once questions of scale and scope for the new programme are clarified, UNDP will further examine activities and financial sustainability issues. The role of UNDP will add value in securing the following:

- Provision of technical support through international consultancy missions in areas that are considered beyond FRWO's traditional technical strengths;
- UNDP will share international good practices to test innovative approaches (e.g. services through UNDP's Dry Lands Center and knowledge networks);
- Provision of an international platform, and possibilities for South-South Cooperation (to mobilize additional partnerships); and
- Support FRWO in engaging more in socio-economic development of the country (beyond its traditional mandate).

UNDP's role will catalyze the diffusion of participatory approaches to rangeland rehabilitation and desertification as well as better establish and articulate the nexus between environmental rehabilitation and poverty reduction. It would also indirectly contribute to Iran's efforts to implement the United Nations Convention to Combat Desertification (UNCCD).

Project activities will also be undertaken for: i) capacity building at national level in regard to integrated natural resources management (INRM); ii) mainstream participatory approach of CSP on INRM and rural development in policy making at national level; iii) programming for up scaling at national level; iv) programming for up scaling at regional level.

UNDP will thereby support the four new sites by providing USD 80,000 for technical staff requirements support and planning capacity development (training, documentation, operating procedures, etc). It is anticipated that such initial support actions will be undertaken in 2013. The current project management team will be involved in the process.

Management and Funding Arrangements

The implementation modality will continue to be National Implementation (NIM) as in the project document.

The FRWO has informed UNDP that Provincial Governorates of Bushehr, Semnan, Alborz and Markazi are allocating about 75 billion IRR in 5 years (about \$ 3 million) for replicating Carbon Sequestration project and full size implementation in the four areas. UNDP itself will also be providing resources of at least USD 80,000 for support to planning capacity development in these four sites.

The Government of Iran (through FRWO and the Provincial Governor Generals) will sign this Addendum for the resources indicated in the RRF below.

Results and Resource Framework (RRF) : 2013 – 2016

Objectives	Activities	UNDP (USD)	Funding Contribution				Responsible Organization	Timing
			Iranian Government (10,000 IRR)					
			Semnan	Boushehr	Markazi	Alborz		
1. Signature	With presence of officials from FRWO, MFA, UNDP and four Governor Generals						FRWO and UNDP	Early 2013
2- Setting up project management offices	Rent, salaries and procurement : equipment, furniture, stationary, vehicles, staff salary, etc)	\$ 20,000	100,000	150,000	100,000	150,000	FRWO and UNDP	2nd quarter of 2013
3 - Baseline study on current status in four new sites and programming	Recruit a consulting engineers company		150,000	100,000	200,000	200,000	FRWO	2nd quarter of 2013
4. Establish participatory approach of INRM and Rural Development	1. Hold inception workshop for stakeholders at national and provincial levels		5,000	5,000	5,000	5,000	FRWO	2nd quarter of 2013
	2. Hold awareness raising workshops for provincial stakeholders		5,000	5,000	5,000	5,000		
	3. Hold consultative and introductory workshops for provincial stakeholders		5,000	5,000	5,000	5,000		
	4. Recruit consultant /experts on mobilization of local communities for 1-2 years		25,000	25,000	25,000	50,000		
	5. Hold training and educational workshops for provincial stakeholders		5,000	5,000	5,000	10,000		

5. Empowerment and capacity building for the project stakeholders and in particular the Government experts	1. Organize training workshops with attendance of international instructors	\$10,000	10,000	20,000	15,000	20,000	FRWO,	2013-2016
	2. Organize international trainings study tours	\$20,000	25,000	50,000	35,000	50,000	International instructor	
6. Establish M&E and reporting systems	1. M&E survey		100,000	150,000	150,000	100,000	FRWO	2013-2017
	2. Develop periodical (annual and quarterly) progress reports		10,000	10,000	10,000	10,000		
	3. Dessiminate promotional items		10,000	30,000	10,000	30,000		
	4. Prepare and publish brochures and extensional materials		10,000	30,000	10,000	30,000		
7. Participatory rehabilitation of natural resources	1. Hold training workshops for local communities on rehabilitation activities		10,000	25,000	20,000	50,000	FRWO	2013-2017
	2. Conduct participatory natural resources management projects namely afforestation, watershed management, etc		250,000	1,300,000	500,000	1,200,000		
	3. Extend permaculture systems		50,000	200,000		200,000		
	4. Extend solar, wind and biogas energies utilization facilities		130,000	190,000	205,000	185,000		
8. Documentation of initiative & achievements	1. Annual and quarterly reports		500,000	500,000	500,000	500,000	FRWO and UNDP	2013-2017
	2. Publications		500,000	500,000	500,000	500,000		
	3. Development of the national planning and implementation model	\$30,000	500,000	500,000	500,000	500,000		
	4. Support thesis & researches			500,000	500,000	500,000		
Total budget		\$80,000	1,000,000	2,500,000	1,500,000	2,500,000		

Annex I: Profile of proposed pilot sites

- Bushehr province: The proposed site is located in Shabankareh district, Dashtestan township 50 km away from northwest of Borazjan township and 110 km away from the province center. The total area is 15000 hectare inhabited with 1050 households and 7000 people living in 10 villages. Local communities are mostly engaged in agriculture in which 50 percent is rain-fed and the balance is relying on ground water.
- Markazi province: The proposed site of Gol Cheshmeh with a total area of 50000 hec includes several villages namely Gol Cheshmeh, Yekeh Chah, Chehel Roz, Judan, Jordijan, Jamalabad and Tutak with a population of 610 people. The objectives of this selection are to; raise carbon sequestration amount in the area, improve environmental indicators, enhance participation, improve living standards of local land users and mitigate drought effects.
- Semnan province: The proposed site of Sarkavir with an area of 50000 hec is considered an under-developed part of Semnan province including 15 inhabited villages. The local communities are known to having a good sense of participation in natural resources rehabilitation and wind erosion control projects. Likewise, there are high potentials in term for development of micro-finance scheme, handicrafts, new energies, local community empowerment, etc.
- Alborz province: The proposed site is common between Nazarabad and Eshtehard townships with a total area of 58114 hec in which 43404 hec is located in Eshtehard and the balance in Nazarabad. At the time being, in 29 communal lands of this area, 4 desert control projects are in place. The area includes 76 villages in which 45 villages lie at Eshtehard and the balance in Nazarabad.

CSP Addendum Signature

The undersigned henceforth agree to the above provisions for the Addendum. Provisions set forth in the initial Carbon Sequestration project document such as management arrangements, M&E, audit, and legal context remain the same and with no changes.

Date: May 5 2013

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Governor General
Alborz Province

Mr. Abbas Rahi
Governor General
Semnan Province

Mr. Feridoon Hasanvand
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