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PROJECT ADDENDUM¹

[Islamic Republic of Iran]

Project Title: Participatory Management of Natural Resources and Sustainable Rural Development in line with Carbon Sequestration in Desertified Areas¹

Project Number: 00105937

Implementing Partner: Forests, Rangelands and Watershed Management Organization (FRWO) of Ministry of Jihad Agriculture

Start Date: 17 June 2017

End Date: 16 June 2022

PAC Meeting date: N/A

Brief Description

The Carbon Sequestration Project is a long-standing joint initiative between the Government of the Islamic Republic of Iran and the United Nations Development Programme (UNDP). Given that Iran has been one of the countries most affected by desertification, rehabilitation of degraded lands has been a significant national priority for the Government. The first phase of the CSP project (2003-2009) was designed to address this development challenge directly by demonstrating that desertified rangelands could be cost-effectively reclaimed by, and for the benefit of, local people and that there was significant potential to sequester carbon in plants and soil in these areas for overall global benefit. The second phase of the project was initiated in 2010 to allow the larger scale application of the participatory methods to empower local people in the District and subsequent addendums were signed to further strengthen institutional capacities to replicate the CSP in other areas/provinces and to work towards scaling-up of the project's approach and methods in national level medium-term and long-term planning frameworks. To date, the project has been replicated in 18 provinces and the approach has been adopted in the country's 6th National Development Plan.

The success of the project stems from the participatory approaches that have been employed to mobilize stakeholder communities and empower them to take ownership for the rehabilitation and sustainable use of the natural resources on which they depend for their livelihoods. The project's achievements include local capacity building, women and men's empowerment, small enterprise generation and strengthening of alternative livelihoods, and the participation of local villagers in cost-efficient rehabilitation and management of degraded rangelands. One of the notable achievements relates to the project model's ability to engage local women's participation in the decision-making process and implementation of sustainable natural resource management and employment generation.

This new addendum to the original Phase II project document aims to achieve participatory natural resources management and sustainable rural development in line with the previous phases and indicates the Government and UNDP's willingness to reinforce their ongoing collaboration and specify national implementation and UNDP support for the replication process in five new sites in North Khorasan, South Khorasan, Yazd and Golestan provinces, to further advocate the project model and share lessons learned.

¹ This document is an addendum to the Project Document of Carbon Sequestration in Desertified Rangelands of Hosseinabad - Phase II Project signed between FRWO and UNDP in April 2010.

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Handwritten signatures of the representatives of the Government of Iran and UNDP.

Contributing Outcome (UNDAF/CPD, RPD or GPD):

UNDAF (2017-2021) Outcome 1.1 Integrated Natural Resources Management: Responsible GOI agencies formulate, implement and monitor integrated natural resource management policies and programmes more effectively.

CPD (2017-2021) Outcome 1: Responsible government agencies formulate, implement and monitor integrated natural resources management, low carbon economy, and climate change policies and programmes more effectively.

CPD Output 1.1: Strategies and measures that promote sustainable and integrated management of natural resources, biodiversity and ecosystem services are developed and considered for adoption/implementation by the Islamic Republic of Iran.

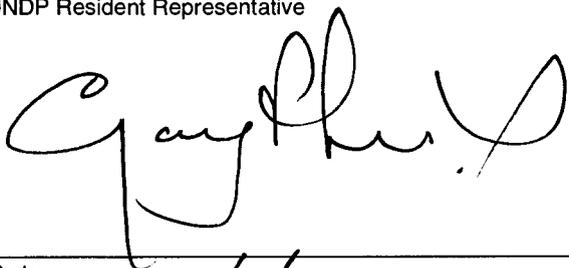
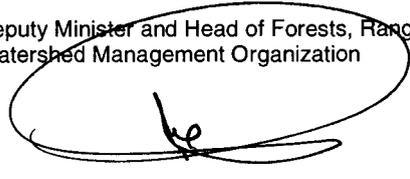
UNDP Strategic Plan (2014-2017) Outcome 1: Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded.

SP Output 1.3: Solutions developed at national and sub-national levels for sustainable management of natural resources, ecosystem services, chemicals and waste.

Indicative Output(s) with gender marker: Overall GEN2

Total resources required:	USD 7,980,000	
Total resources allocated:	UNDP TRAC:	USD 380,000
	Donor:	
	Government Cost-Sharing:	USD 7,600,000 (equivalent to IRR 282,780,800,000 ²)
	In-Kind:	
Unfunded:		

Agreed by (signatures):

UNDP	Implementing Partner
<p>Name:</p> <p>Gary Lewis</p> <p>UNDP Resident Representative</p> 	<p>Name:</p> <p>Khodakaram Jalali</p> <p>Deputy Minister and Head of Forests, Rangelands and Watershed Management Organization</p> 
<p>Date:</p> <p>17/6/17</p>	<p>Date:</p>

² Based on UN Rate of Exchange for June 2017 of IRR 37,208/per USD

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I. DEVELOPMENT CHALLENGE

Recent decades have witnessed Iran undergo rapid desertification and degradation of natural resources. Furthermore, Iran has recently faced sand and dust storm phenomena due to inappropriate management of water and natural resources. As a result, rehabilitation of degraded lands and mitigation of drivers of sand and dust storms are significant national priorities for the Government.

Iran covers about 164 million ha, 85% of which is classified as arid and semi-arid receiving between 30 to 250mm of annual rainfall. The rangeland areas of Iran, because of their size, have the greatest overall potential for carbon storage. These occupy about 84.8 million *has* with annual rainfall ranging from 50 to 300mm. Many of these semi-arid areas are degraded with vegetative cover ranging from 5% to 50%. However, they can be reclaimed with grasses and perennial plants. Although the build-up of organic carbon in wood and soils is moderate, some woody biomass species can grow in these low rainfall areas with saline soils. These areas have the potential to store up to an estimated one billion tonnes of organic carbon if they can be reclaimed and managed properly. Moreover, they would give an annual production of about 10.8 million tonnes of fodder.

The main underlying factors that have contributed to land degradation, desertification, and consequently sand and dust storms in Iran include:

- Unsustainable water resources management;
- Lack of a unified exploitation system and conversion of degraded lands to other land uses;
- Lack of balance between livestock and range grazing capacities;
- Restrictions to water availability and short rotations of droughts;
- Inadequate management of the rural development system;
- Increased level of relative poverty in rural communities, inappropriate rural structure and not taking advantage of socio-economic opportunities;
- Lack of control over the land by the local population; and
- Lack of knowledge and awareness of the techniques needed to ensure sustainable natural resources management of that land by the same local communities, as well as the local, provincial and national institutions.

Because the existing carrying capacity of the land is low, people are abandoning such sites for urban areas and more productive lands. Those that stay face harsh situations of poverty and lack of access to income-generating opportunities. Yet the potential for these sites, although modest, is much greater than at present.

The Carbon Sequestration Project was undertaken to directly address the development challenges posed by rapid desertification and has been successful in establishing and demonstrating a model for community-based approaches which have acted as a catalyst for rangeland reclamation via participatory approaches to natural resource management throughout Iran.

II. STRATEGY

The Carbon Sequestration Project is a long standing joint initiative between the Government of the Islamic Republic of Iran and the United Nations Development Programme (UNDP). Phase I of the project was a joint GEF/UNDP and Government funded initiative commencing in 2003 which initially defined, shaped and employed the particular CSP model to achieve men and women's empowerment and capacity building at the local level, micro-enterprise generation and the successful establishment of a number of sustainable alternative livelihoods, as well as the participation of local villagers in cost-efficient rehabilitation and management of degraded rangelands. Phase II of the project has further strengthened this participatory model through replication in 18 provinces and the scaling up of the model at the national level ensuring that the lessons learned are absorbed nation-wide, leading to its adoption in the country's 6th National Development Plan.

The theory of change of the project looks at the development challenge, immediate and underlying causes and barriers, as well as a hierarchy of expected results of the project, from outcomes to overall impact that have been identified in accordance to specific political, regulatory, financial, technical and environmental risks and assumptions.

In seeking to address the underlying causes outlined above, one of the main objectives of the project is to rehabilitate desertified areas and rangelands, as well as to address mitigation of drivers of sand and dust storms, while also seeking capacity building for communities who will carry out the activities to achieve this rehabilitation and conservation. It is envisaged that this will be achieved through a two-pronged approach.

First, under Component 1, the project will work with relevant national and provincial authorities and in direct collaboration with local communities to design and implement Watershed Level Plans that will guide the rehabilitation activities to be undertaken by the key actors including the local Village Development Groups that will be established in each site. This is aimed at ensuring that a participatory approach to natural resources management is promoted and strengthened in the target sites. The planned rehabilitation activities will also contribute to the reduction of sand and dust storms.

Under Component 2, the project seeks to empower local communities and improve their livelihoods. The project's strategy is to empower rural communities to manage their own resources, as well as to have the capacity, and therefore the confidence, to influence policies and access support, by encouraging decentralized decision making and control and ownership of financial and natural assets. At the higher level, the project has aimed at strengthening the social and institutional systems needed to provide an enabling environment in which people are able to participate.

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 rehabilitation of rangelands has proved effective and cost-efficient, and ensured the sustainability of this approach.

This two-pronged approach developed under the two CSP phases will be replicated under this new phase with the major achievements of the approach forming the evidence and rationale behind this choice, including:

- Establishment of the successful model for *Village Development Groups*, thus achieving ownership and buy-in from the local communities: 1,744 VDGs, including 97 for men, 113 for women and 1,534 mixed-gender groups. Importantly, of the 23,689 individual VDG members, 53.1% are women.
- A set of *micro-credit/saving schemes* at VDG level that have funded 2,311 loans for income generation and support to ongoing production. The scheme has been an invaluable tool for community mobilization and the sustainability of income generation.
- Local communities have been *empowered* through capacity building initiatives aimed at increasing *awareness* of natural resource management techniques and *mobilized* to take part in and assume responsibility and ownership for 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 25,223 hectares of degraded lands and a reduction in wind erosion intensity by 2 classes.
- Enhanced *vocational skills* among local villagers and *improved livelihoods* through the establishment of 52 types of small business initiatives, of which 21 are run by women. This has led to a sense of *empowerment* of local women by providing an avenue through which they have been able to support their families and be counted as equally productive members of the community.
- 80% reduction in the consumption of fuel-wood by local communities as a result of the introduction of new sources of renewable energy.



- *Recognition of indigenous knowledge and practices* as a key factor in the success of micro-enterprise initiatives and rangeland rehabilitation efforts and in ensuring a sense of ownership by local communities.

The project's approach to promote women's empowerment and gender equality ensures that the interests and needs of both women and men are considered and that the vital and constructive role of women in the development of their communities is recognized and put into action. The project will ensure that adequate gender analysis is undertaken so that gender segregated results continue to be captured as part of the project's monitoring activities.

Furthermore, increased awareness at national, provincial and local levels on the potential of community-based approaches in the protection, restoration and development of natural resources is considered a very significant component of the country's sustainable development agenda. Through the adoption of the project's community-based model to natural resources management in the country's 6th National Development Plan, the Government of Islamic Republic of Iran has acknowledged the vital and effective role of the CSP model and the need for continued expansion of the successful CSP methods and mechanisms, given that:

1. The project presents a best practice. It enables society to overcome the vicious cycle of poverty and environmental degradation and to improve the livelihoods of local people through their own active participation, while mobilizing their resources towards sustainable natural resources management. This innovative approach and best practice has been widely welcomed by authorities and institutions at the national level.
2. Women's economic empowerment (nomadic and rural) and improvement in their professional skills will result in boosting poor households' economic status and livelihoods, reducing vulnerability and transferring skills to other groups within communities.
3. FRWO wishes to continue improvement of its expertise and knowledge in introducing the project's approach to provincial managers and experts.
4. Increased institutional strengthening of the provincial governate organizations through replication of the methods.
5. The market loop for local products produced by the local micro-enterprises needs to be refined to ensure a systematic approach to production and marketing of these products.

Specifically, five new sites in North Khorasan (two sites), South Khorasan, Yazd and Golestan provinces have been chosen to continue expansion of the project's participatory integrated natural resources management and sustainable rural development approaches in the country.

III. RESULTS AND PARTNERSHIPS

Expected Results

In order to address the development challenges described above and based on UNDAF Outcome 1.1 relating to Integrated Natural Resources Management (Responsible GOI agencies formulate, implement and monitor integrated natural resource management policies and programmes more effectively) and the UNDP CPD Outcome 1 under which responsible government agencies formulate, implement and monitor integrated natural resources management, low carbon economy, and climate change policies and programmes more effectively, the project seeks to continue implementing the particular CSP model and use best practices and lessons learned.





As outlined in Section II on the project strategy, it is expected that applying a participatory approach to natural resources management and rehabilitation efforts will not only enable degraded areas to be significantly restored and can be effective in management of drivers of sand and dust storms, but will also contribute to an increase in the capacity and sense of empowerment of communities and their individual members, both men and women, at the local level. At the same time, this improvement in capacity and skills will lead to the ability to actively design and run successful micro-enterprises which in turn have boosted livelihoods and decreased pressure on the natural resources base.

Considering the promising results of this practice as demonstrated in 18 provinces to date encompassing 292 villages, this third phase of the project seeks to effectively replicate these results in the five new sites in North Khorasan, South Khorasan, Yazd and Golestan provinces. The project is targeting replication in the sites of Garmeh, Jajarm, Nehbandan, Khatam and Galikesh during the proposed project duration from June 2017 to June 2022, although the possibility of adding further replication sites can also be considered in this new phase.

During implementation, the project will focus on achievement of the following two main expected outcomes:

1. Participatory natural resources management is further strengthened in target areas to rehabilitate degraded lands and to mitigate drivers of sand and dust storms, with the impacts of rehabilitation activities on carbon sequestration monitored and documented.
2. Local communities further empowered and their livelihoods improved.

In working towards these expected outcomes, the project intends to ensure that people are fully involved in the sustainable management of natural resources. This will be achieved through creation of new VDGs and cooperatives and further promotion of the VDG model as a vehicle for local development. Project activities will include capacity building workshops, employment generation, extension and marketing of village products. The project activities will also encompass application of innovative methods of natural resource management and the preparation of watershed level plans in consultation with the established VDGs to determine the way forward for rehabilitation activities.

The Results and Resources Framework for the replication project is presented in the log-frame below and continues to be in line with the objectives and outcomes of the project's second phase.

Resources Required to Achieve the Expected Results

The main budget for this project will be provided by FRWO through the national budget as per the schedule under the UNDP cost-sharing modality outlined in sections below, at a total value of USD 7,600,000 (equivalent to IRR 282,780,800,000 based on June 2017 UN Rate of Exchange). UNDP shall also provide USD 380,000 under the project to be used mainly for costs related to project staffing, as well as some minor activities related to capacity building and awareness raising workshops.

FRWO will take steps to recruit a project team composed of one project Technical Expert, one Finance & Procurement Officer, and one Monitoring and Evaluation Expert who will be based at the Project Office in Tehran, as well as procurement of workshop and training facilitators, and other consultancies required during implementation based on workplan activities, all of which shall be funded through the project budget. As per the previous phases of the project, FRWO will also continue to provide in-kind contributions (personnel, particularly NPD and NPM, office space, utilities, maintenance etc.).

One project assistant shall also be recruited by UNDP, using funds from the project budget, who will be based at the UNDP office in Tehran. Other UNDP staff time from the country office has been adequately estimated, costed and included in the project budget under the Direct Project Costing item. UNDP management support at the country, regional and headquarter level has also been captured in the General Management Services item of the project budget.

Main personnel and infrastructure required at the provincial/local level will be provided by provincial/local FRWO and MoJA authorities.

While personnel and infrastructure required at national level will be provided by FRWO and UNDP, additional tools, consultancy and staffing requirements in both the project office in FRWO and UNDP will be assessed and considered on an ongoing basis during project implementation and if needed, necessary funds will be sourced from the project budget.

Partnerships

Project implementation and achievement of expected results requires continuation of the existing close partnership between the national, provincial and local FRWO/MoJA authorities, and UNDP, which has been a well-established practice during the previous two phases.

Ensuring that participatory and bottom-up approaches are utilized in the planning and implementation of project activities will ensure that the needs of actual local beneficiaries are considered in the design of those activities, making the project approach more relevant and ensuring a sense of ownership by the local communities. This has been the source of success of the previous phases and will continue to guide implementation in this replication phase.

Intersectoral cooperation among government organizations will also be a key aspect throughout implementation. This approach leads to availability and utilization of further national resources in the project implementation, and a greater sense of national ownership for potential results achieved under the project.

This replication project also seeks to solidify the ongoing partnership between FRWO and UNDP, within an implementation plan context in which UNDP will continue its value-added support in the form of technical and financial assistance where needed. The partnership with UNDP will ensure:

- provision of technical support through international expertise in areas that are considered beyond FRWO's traditional technical strengths;
- sharing of international good practices by UNDP to test innovative approaches;
- provision of an international platform on which to continue to share the project's lessons learned and knowledge and promote further possibilities for South-South cooperation;
- support to FRWO in engaging more in socio-economic development of the country, beyond its traditional mandate;
- support to FRWO in operational activities including international procurement as needed

Ultimately, implementation of projects through utilization of national and international resources attracts valuable attention at both levels which leads to mainstreaming of project approaches.

Risks and Assumptions

This project addendum is prepared based on the assumption that:

- 1) The same FRWO authorities as in CSP Phase II will remain in charge of project implementation and assume responsibility for project results;
- 2) The UNDP Cost-sharing modality, as described in Section IV and Annex 1, will be fully observed.

However, there are risks associated should these assumptions not hold throughout project implementation and each of these would have high impacts on the progress of project activities and achievement of set results.

Whilst it has been agreed that government cost-sharing contributions shall be deposited in UNDP accounts in the amounts and as per the time schedule outlined in Annex 1, should there be a lack of timely allocation of the national/provincial budgets, this would also lead to a delay in the timing of deposits and perhaps in the amounts. There is a moderate likelihood of this being the case and the impact of such an event would be

quite high, as project inputs and activities are mainly dependent on these funds. In order to avoid this, UNDP will need to ensure that a sound financial management system is put in place for monitoring the cost-sharing deposits and expenditures and informing the project team of the due date of the next instalments in a timely manner. The project management team will also need to establish a similar financial monitoring system for internal use and ensure proper coordination with relevant government budgeting authorities to ensure timely deposits of planned contributions. Should there be a deviation from the agreed schedule in the timing or amount of the deposits, the project management team should take all measures to inform UNDP well in advance.

Given the long-standing partnership between UNDP and the CSP project team in Desert Affairs Bureau of FRWO and the established understanding achieved by both partners of each agency's respective rules, regulations and procedures, the successful and timely progress of the project shall depend on there being no changes in the immediate management of the project nor changes in FRWO's governmental line of affiliation within the Government system. While the risk of such operational changes is low, the impact of such an event would be high as it would cause considerable delay in the smooth implementation of activities included in the annual work plans and overall intended outcomes and would require a notable amount of time for new management to be informed of the established procedures. UNDP and the project team shall ensure continuous cooperation and coordination to keep abreast of any changes that may have an impact on the project.

In case of a policy shift from participatory to top-down planning and inadequate interest and support from different levels of government, particularly provincial authorities, this would lead to considerable delays in the progress of the project as well as the sustainability of the project approach. Special focus should be placed on the advocacy of participatory approaches that involve stakeholders at all levels, to ensure increased awareness of the benefits of such an approach. Participatory decision making and planning at the national, provincial and local level will lead to enhanced bottom-up and intersectoral collaboration during the project duration.

Other environmental risks such as cases of flood, pest and disease outbreak or extreme climatic conditions are possible, though very low in likelihood. The project should ensure appropriate contingency plans are established to prevent setbacks in project progress.

Currently, the potential risks that may affect the project are listed in the Project Risk Log under Annex 2. The project risk log shall be created and updated on a quarterly basis off-line and in the UNDP ATLAS system. Due diligence shall be exercised to identify and address any new risks and issues as they arise.

Stakeholder Engagement

The immediate target beneficiaries of the replication project are the people living in the project areas and communities in the respective watershed basins. They will be the principal participants in the planning and execution of the various activities. Through the involvement of selected national and provincial level stakeholders who are in a position to disseminate lessons and replicate the community-based models, it is anticipated that the beneficiary circle will gradually widen to surrounding areas as has been the case in the previous phases of the project. This strategy has been applied during the last two phases of the project and is always localized and modified to best fit project needs in terms of local community participation. Other stakeholders who will be fully involved in the project include the Forests, Rangelands and Watershed Management Organization (FRWO), Ministry of Jihad Agriculture (MoJA), the Government of I.R. Iran through the Ministry of Foreign Affairs, and UNDP. The FRWO and other governmental entities, including those at local levels will continue to benefit from utilizing and advocating the project's approaches of participatory rehabilitation and management of natural resources.

South-South and Triangular Cooperation (SSC/TrC)

The project currently has no plans for SSC/TrC, however will explore options should any opportunity arise during the course of implementation.

Knowledge

The project has already produced a substantial number of knowledge products including documentaries, publications and reports in the previous two phases, as well as production of teaching materials and interactive booklets for schools, farmers and NGOs. This approach will be continued in this new third phase, under which there are plans for publication and distribution of brochures, booklets etc. about specific aspects of the project such as alternative livelihood approaches, success stories, rehabilitation techniques including species success and failures. There will also continue to be submission of annual project progress reports, detailing progress, achievements, failures, and proposed modifications based on lessons learned. Interactive workshops, meetings and seminars may also be held for villagers, government officials, NGOs and other relevant stakeholders.

Such publishing activities will inform the relevant stakeholders and other interested parties and public at large about the project, its specific approach and socio-economic and environmental benefits. UNDP shall also make efforts to ensure that the project's activities and results are disseminated to a wider audience outside Iran by actively engaging in the organization's communication activities and calls for submissions of project success stories from regional bureaus and headquarters.

Sustainability and Scaling Up

Participatory approaches not only facilitate the project management aspects of the project, but are also a very important feature for the sustainability of the project model and results achieved. The participatory approach employed in previous phases of the project has shown that actively including local communities in the decision-making and planning processes leads to a strong sense of ownership and responsibility and contributes to the successful achievement of project outcomes. Through capacity building initiatives and skills-based workshops planned under the project and used in previous phases, local men and women are given the confidence to initiate, design and see-through the rehabilitation activities as well as their own micro-enterprise and income generating activities that contribute to increased livelihoods and reduction of natural resource degradation.

From the early stages of project implementation in the first two phases, FRWO, Ministry of Jihad Agriculture (MoJA) and their respective provincial offices have been the major implementing partners. Within these previous phases, comprehensive training and capacity building has been carried out for these entities involving key technical experts and support staff which have allowed them to independently replicate the project in numerous provinces. FRWO has a strong sense of ownership and belief in the project methods and techniques and is fully engaged in advocating the project model at all levels of government to ensure that lessons learned and best practices continue to be incorporated in government planning and practice.

With assistance from the people themselves, the government will be in a position to commit sufficient funds, as the project model is seen to work and owned by all intended beneficiaries including local communities and local, provincial and national.

IV. PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

Owing to the successful implementation of the project in previous phases and effective allocation of resources based on needs assessments and project priorities, the CSP has mobilized significant national resources to achieve maximum results. In this third phase, the project has been able to mobilize a significant amount of national financial resources as a demonstration of the faith in the success of the project's particular approach as the project's model has been very well established within the national system.

In its previous two phases, the project was able to create an atmosphere of trust, partnership and cooperation, in particular with provincial FRWO and MoJA authorities capitalizing on their technical expertise and existing infrastructures to maximize the results of the project with available resources.

FRWO as the major partner of the project having offices, personnel and infrastructure in all project pilot sites has offered very notable assistance on project monitoring which has significantly maximized the result in previous phases and it is anticipated that this will continue and be even further enhanced by applying the best practices and lessons learned during the third phase of the project.

Project Management

This third phase of the project will continue to be implemented under the National Implementation Modality (NIM) with partial UNDP Country Office Support Services as in the phase II project document and its subsequent addendums, subject to the results of the HACT Micro Assessment of the Implementing Partner (IP). This has been negotiated with the IP and should the result of the Micro Assessment show that the IP is not fully compliant, then the implementation modality will be subject to change to NIM with full country office support or Direct Implementation Modality in accordance with risk mitigation measures driven as a result of the assessment. Government cash contributions to the project will be provided in accordance with the rules and procedures governing the UNDP Cost-Sharing modality, which requires the transfer of funds by FRWO into UNDP accounts. Under this third phase addendum, the Cost Sharing arrangements shall require for UNDP to receive the Government contributions to the project in advance and in lump sum instalments as per the agreed schedule outlined in Annex 1. Continuation of project implementation will be conditional upon the timely observation of the aforementioned cost-sharing arrangements.

Project funds, including cost-sharing contributions will be disbursed on planned activities as indicated in Annual Workplans of the project. Such disbursement will be made by UNDP upon receipt of a Request for Direct Payment (RDP) signed by the project NPD along with copies of supporting documentation confirming that the concerned goods and services have been delivered to the NPD's satisfaction. Original supporting documents (contracts, invoices, etc.) will be appropriately kept at the Project Office and ready for disclosure to auditors at the time of annual project audits. No advance payments shall be made under this project.

In line with the rules and procedures governing NIM, FRWO - who is represented by the Director General of its Desert Affairs Bureau as the National Project Director (NPD) – will be entrusted with full responsibility for effective and efficient use of project resources, production of planned outputs, and materialization of the intended outcomes. The NPD also assumes full responsibility for the planning and implementation of project activities as indicated in the Results and Resources Framework and Budget in the following sections of this document.

The Project Board, as established under the previous phases, will continue to oversee project implementation and ensure that quality Outputs are produced towards intended Outcomes. Under the Project Board, a Project Review Committee (PRC) will also be established to ensure links between the project, the main provincial planning authorities and UNDP (refer to Section VIII for project governance structure and Annex 3 for composition of Project Board).

The NPD, in consultation with UNDP, will assign a National Project Manager (NPM) who will assume the responsibilities delegated under the ToR in Annex 3, by secondment of a current FRWO staff member. The NPM, along with a project team to be established and composed of one project Technical Expert; one Finance & Procurement Officer; and one Monitoring & Evaluation Expert (all three of which will be paid from the project budget), will assist the NPD to oversee project implementation. The NPM and project team will be positioned at the NPD's office in Tehran. The project will develop a comprehensive Monitoring and Evaluation (M&E) mechanism to be overseen by the M&E Expert. Monitoring and reporting on substantive progress of the project and achievement of results will be conducted under the supervision of the M&E Expert. An independent final evaluation will be carried out in the final year of the project directed towards documenting the ultimate impacts of the project and the lessons learned.

The NPD, will also identify and assign a Provincial Project Manager (PPM) for each province under this addendum by secondment of current FRWO staff members. Under the supervision of each PPM, the Provincial Project Offices which have already been established during implementation of the previous phases, and Provincial Project Offices that need to be newly established, will implement project activities and operations at the local and provincial level.

FRWO will continue to provide office space and utilities to the project.

UNDP shall also continue to provide technical and support services to the project. As part of the project, one Project Assistant will be contracted with UNDP and based at the UNDP office in Tehran to provide ongoing support for project implementation, with the contract to be fully funded from the project budget.

Support Services by UNDP Country Office

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

As the implementing partner, FRWO may, from time to time, request UNDP to provide support services in the implementation of project activities in various areas such as:

- Identification and/or recruitment of project personnel and consultants;
- Identification and facilitation of training activities;
- Procurement of goods and services including customs clearance;
- Travel management services;
- Financial record management;
- ICT and external ATLAS services; and
- Logistical support to project events.

Terms, conditions and prerequisites as stipulated in the Letter of Agreement for the Provision of Support Services apply (see Annex 4).

UNDP Cost Recovery Policy

General Management Service (GMS) fees and Direct Project Costs (DPC) will be charged to FRWO cost-sharing contributions as per the concerned rules and procedures of UNDP's cost recovery policy. Based on this policy, the project will be charged 3% GMS for the Government cost-sharing contributions. If the project receives other unforeseen government contributions in future, the applicable GMS rate will be applied accordingly. As per UNDP's cost recovery policy, DPC will be charged based on the estimated and costed UNDP staff time required for this third phase of the project, as included in the Direct Project Costing item in the project budget of the Multi-year Workplan. This estimation is based on the project management/assurance services and support services required to be provided by UNDP, and is calculated on the entire project budget including both government cost-sharing contributions and UNDP allocated funds.

Audit

As a NIM project, the project as defined under this addendum shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP.

V. RESULTS FRAMEWORK

UNDAF (2017-2021):	UNDP CPD (2017-2021):	UNDP Strategic Plan (2014-2017):	Links to SDGs: SDGs 1, 5, 7, 13, 15			
Objective/Outcome/Output	Indicator	Baseline	Targets (including annual milestones)	Means of verification		
<p>UNDAF Outcome 1.1: Integrated natural resources management: Responsible GOI agencies formulate, implement and monitor integrated natural resource management policies and programmes more effectively.</p> <p>UNDP CPD (2017-2021):</p> <p>CPD Outcome 1: Responsible government agencies formulate, implement and monitor integrated natural resource management, low carbon economy, and climate change policies and programmes more effectively.</p> <p>CPD Output 1.1: Strategies and measures that promote sustainable and integrated management of natural resources, biodiversity and ecosystem services are developed and considered for adoption / implementation by the Islamic Republic of Iran.</p> <p>UNDP Strategic Plan (2014-2017):</p> <p>SP Outcome 1: Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded</p> <p>SP Output 1.3: Solutions developed at national and sub-national levels for sustainable management of natural resources, ecosystem services, chemicals and waste</p>						
<p>The long-term goal to which the project will contribute is to combat desertification and address land degradation to mitigate the effects of and adapt to climate change (including mitigation of drivers of sand and dust storms) as well as to build resilience in local communities.</p>						
<p>Objective</p> <p>To reduce land degradation and manage drivers of sand and dust storms in areas susceptible to desertification through local community empowerment and participation</p>	<p>Reduction in intensity of desertification in pilot areas</p>	<p>TBD</p>	<p>At least 1 class of reduction in intensity of desertification by end of project</p>	<p>Technical reports prepared by the projects</p>		
<p>Outcome 1</p> <p>Participatory natural resources management is further strengthened in target areas to rehabilitate degraded lands and to mitigate drivers of sand and dust storms, with the impacts of rehabilitation activities on carbon sequestration monitored and documented</p>	<p>Increase in carbon stock in degraded landscapes in pilot areas</p>	<p>TBD</p>		<p>Technical reports prepared by the project</p>		
<p>Output 1.1</p> <p>Rehabilitation of degraded natural resources planned and implemented at the watershed and village levels through</p>	<p>% of vegetation cover</p>	<p>TBD</p>	<p>20% of vegetation cover by end-project</p>	<p>Technical survey on the vegetation cover</p>		
	<p>ha of rehabilitated areas</p>	<p>0 hectares</p>	<p>Reclamation of an average of 250 ha per pilot annually</p>	<p>FRWO official reports</p>		

local participation	Number of participatory watershed and village level management plans	0 management plans	Each pilot has 1 WLP by end year 1 At least 30% of the villages in pilots have VLPs by end-year 3	Project reports
Output 1.2 Application of renewable sources of energy as well as other new technologies introduced and promoted to reduce degradation of natural resources	Adoption of renewable energies and other new technologies by households	None	At least 5% of coverage in pilot villages (households)	Project reports
Outcome 2 Local communities further empowered and their livelihoods improved	Number of adopted new technologies	None	At least 4 new technologies adopted by end-year 3	Project reports
	Level of socio-economic capitals in project sites	TBD	Social capital increased by 40% Economic capital increased by 10%	Socio-economic survey of the pilot areas
Output 2.1 Social capacities improved through establishment of Village Development Groups (VDGs) and provision of required trainings	Number of VDGs	0	At least 1 VDG in each village by end-year 3	Project reports
Output 2.2 Economic capacities improved through establishment of micro-credit funds and provision of required trainings	Number of MCFs	0	At least 1 MCF in each village by end-year 3	Project reports
Output 2.3 Local level social and economic platforms are legalized through establishment and registration of local cooperatives	Number of local cooperatives	0	At least 1 local cooperative per pilot by end-year 3	Project reports
Output 2.4 Sustainable alternative livelihood initiatives adopted by local communities and required capacities and skills enhanced to reduce pressure on natural resources	Number of adopted sustainable alternative livelihoods (disaggregated by sex) Number of people benefiting from project livelihood opportunities (disaggregated by sex and province)	0	A minimum of 30 sustainable alternative livelihood initiatives per pilot by end-project At least 120 people benefited from project livelihood opportunities per pilot by end-project	Project reports
Output 2.5 Inter-sectoral coordination and cooperation mechanisms established and strengthened at the provincial and local levels to facilitate sustainable rural development	Number of LoAs signed and working between stakeholders	0	At least 5 LoAs signed and working by end-year 4	Project reports

Outcome 3 An effective and efficient project management system is maintained and project implementation monitored and documented	Delivery rate of the project	NA	Over 95% delivery rate	UNDP financial reports
	Project Board meetings	NA	At least two Project Board meetings annually (mid-year and end-year)	Minutes of PB meetings
Output 3.1 Project effectively managed	Updates of project risk-logs/issue-logs	NA	Risk-logs and issue-logs updated bi-annually	UNDP dashboards and reports
	Project Review Committee meetings	NA	At least quarterly meetings of PRC	Minutes of PRCs
Output 3.2 Progress and impacts of project continually monitored and documented	Project Annual Planning and Reporting Package	NA	PAPRP completed and submitted on-time	UNDP dashboards and reports
	Annual Project Progress Report	NA	Quality APPR prepared and submitted on time	UNDP dashboards and reports

VI. MONITORING AND EVALUATION

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

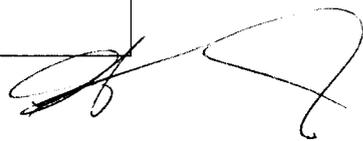
Monitoring Plan

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

	and any evaluation or review reports prepared over the period.					
Project Review (Project Board)	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	Specify frequency (i.e., at least annually)	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.	Project Board		

Evaluation Plan

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
Final Evaluation	-	Strategic Plan (2014-2017): SP Outcome 1, Output 1.3	UNDAF (2017-2021): Outcome 1.1 CPD (2017-2021): Outcome 1, Output 1.1	Final year of project	Local community representatives; VDGs; local/provincial FRWO; other government entities at various levels	USD 30,000; Project Budget (Gov. Cost-Sharing funds)




VII. MULTI-YEAR WORK PLAN

All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document.

Expected Outputs	Indicative Activities	Years					Responsible Parties	Indicative Budget	
		Year 1	Year 2	Year 3	Year 4	Year 5		UNDP (USD)	Government Cost Sharing (USD*)
Outcome 1: Participatory natural resources management is further strengthened in target areas to rehabilitate degraded lands and to mitigate drivers of sand and dust storms, with the impacts of rehabilitation activities on carbon sequestration monitored and documented									
Output 1.1 Rehabilitation of degraded natural resources planned and implemented at the watershed and village levels through local participation	Preparing Watershed Level Plans (WLPs) and Village Level Plans (VLPs)						FRWO/UNDP		
	Agree with village development groups (VDGs) on implementation of WLPs which reflects comprehensive plans for management of natural resources						FRWO/UNDP		
	Implementation of Action Plans under WLPs including rehabilitation activities						FRWO/UNDP		2,400,000
	Facilitation for implementation of Permaculture Activities						FRWO/UNDP		
	Facilitating VLP implementation including environmental and development projects in a participatory manner						FRWO/UNDP		
	Exploring feasible options for introduction and application of renewable energies and other new technologies						FRWO/UNDP		400,000
Output 1.2 Application of renewable sources of energy as well as other new technologies introduced and promoted to reduce degradation of natural resources	Promotion and implementation of renewable energy and other new technologies options						FRWO/UNDP		
Outcome 2: Local communities further empowered and their livelihoods improved									
Output 2.1 Social capacities improved	Planning and implementation of community engagement and facilitation practices						FRWO/UNDP		250,000

through establishment of Village Development Groups (VDGs) and provision of required trainings	Planning and holding thematic trainings and capacity development workshops/sessions					FRWO/UNDP	
	Establishing and maintenance of VDGs					FRWO/UNDP	
Output 2.2 Economic capacities improved through establishment of micro-credit funds and provision of required trainings	Planning and holding thematic training and capacity development workshops (including: MCF rules and regulation, prepare income generation plan and ...)					FRWO/UNDP	350,000
	Establishment and maintenance of MCFs					FRWO/UNDP	
Output 2.3 Local level social and economic platforms are legalized through establishment and registration of local cooperatives	Holding Director board and General Assembly meetings					FRWO/UNDP	
	Registration of the local cooperatives					FRWO/UNDP	120,000
	Holding required training workshops for director board					FRWO/UNDP	
Output 2.4 Sustainable alternative livelihood initiatives adopted by local communities and required capacities and skills enhanced to reduce pressure on natural resources	Development of comprehensive strategy and action plan for sustainable alternative livelihoods as well as required business plans					FRWO/UNDP	
	Planning and provision of vocational/thematic trainings in support of alternative livelihoods					FRWO/UNDP	1,700,000
	Supporting implementation of alternative livelihood initiatives					FRWO/UNDP	
	Marketing of rural products of local communities					FRWO/UNDP	
Output 2.5 Inter-sectoral coordination and cooperation mechanisms established and strengthened at the provincial and local levels to facilitate sustainable rural development	Negotiation with relevant organizations and government entities at the provincial and local levels for development and implementation of WLPs and VLPs						
	Consultation and negotiation with NGOs and other key stakeholders for planning and implementation of development activities					FRWO/UNDP	0
	Signing of LoAs with relevant stakeholders						
Outcome 3: An effective and efficient project management system is maintained and project implementation monitored and documented							
Output 3.1 Project effectively managed	Recruitment of project staff (including Technical Expert, M&E Expert, Finance & Procurement Officer, UNDP Project Assistant)					FRWO/UNDP	900,000
						3x Project Office Staff: 188,000 UNDP	

						PA: 85,000		
Output 3.2 Progress and impacts of project continually monitored and documented	Establishment of project offices and procurement of required equipment and services					FRWO/UNDP		
	Establishment and holding PRC meetings					FRWO/UNDP		
	Establishing and maintenance of a project financial management system					FRWO/UNDP		
	Prepare and implement the project comprehensive M&E plan					FRWO/UNDP		
	Establishing a project planning and reporting system					FRWO/UNDP		
	Planning and holding knowledge sharing forums and sessions					FRWO/UNDP	88,000	
	Preparing lessons learned document for the project					FRWO/UNDP		
	Publishing and disseminating project reports and information (brochures, booklets, documentaries...)					FRWO/UNDP		
	Carrying out NIM audit if required					FRWO/UNDP		
	Carrying out final evaluation by independent evaluators					FRWO/UNDP		
								878,640
Direct Project Cost (DPC)							19,000	380,000
General Management Support (GMS) at 3%							NA	221,360
Total Budget per Source of Funding							380,000	7,600,000
TOTAL PROJECT BUDGET								7,980,000

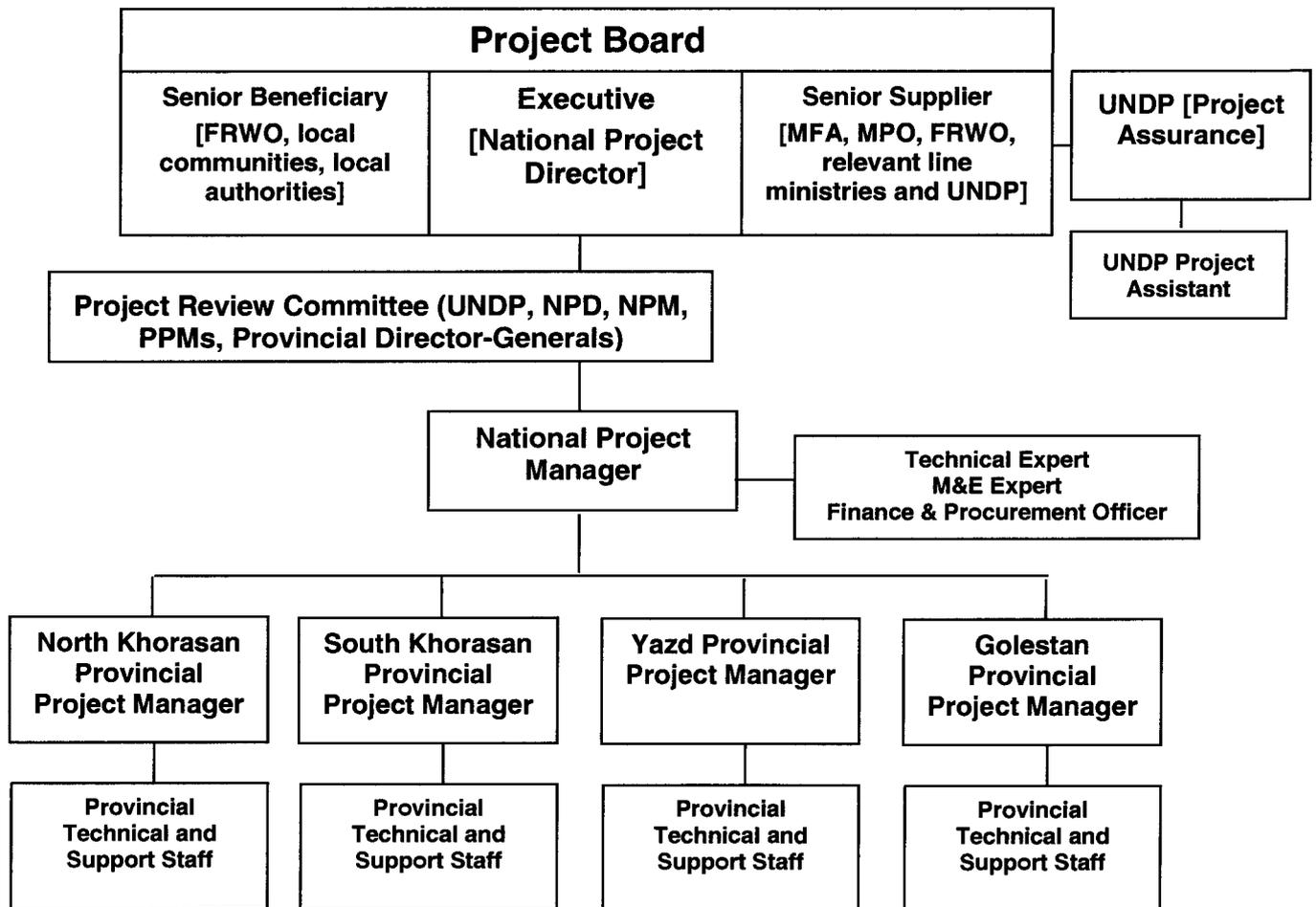
* Based on equivalent amount of IRR 282,780,800,000 using June 2017 UN Rate of Exchange of IRR 37,208/ per USD

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The project governance will be assured through continuation of the inter-sectoral Project Board established under Phase II of the project, which is chaired by FRWO, with UNDP as a full member, and will meet at least twice each year.

The Project Board, comprised of the three following roles, will continue to oversee project implementation and ensure that quality outputs are produced towards intended outcomes:

- Executive (Chair): NPD
- Senior Supplier: Representatives of Ministry of Foreign Affairs, MPO, FRWO, relevant line ministries and UNDP; and
- Senior Beneficiary: FRWO, local communities, local authorities



IX. LEGAL CONTEXT

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

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

Standard Annex to project document for use in countries which are not parties to the Standard Basic Assistant Agreement (SBAA)

Standard Text: Supplemental Provisions to the Project Document:

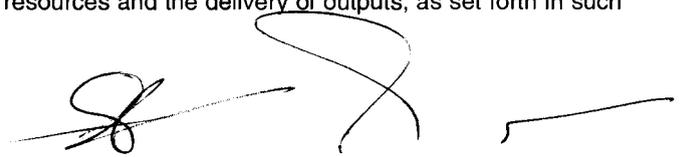
The Legal Context

General Responsibilities of the Government, UNDP and the Implementing Partner

1. The Government, assuming its overall responsibility, shall designate the Government Co-operating Agency named in the cover page of this document (hereinafter referred to as the “Co-operating Agency”) which shall be directly responsible for the implementation of the Government contribution to the project.
2. The Project Document, and the term as used in this Annex, includes the Country Programme Action Plan (CPAP) signed by the Government of Iran (The Government) on (signing date of the current CPAP), and the Annual Work plan (AWPs), together with this Annex attached to the AWPs.
3. UNDP project activities shall be carried out in accordance with the relevant and applicable resolutions and decisions to the competent UNDP organs, and subject to the availability of the necessary funds to UNDP. In particular, decision 2005/1 of 28 January 2005 of UNDP’s Executive Board approved the new Financial Regulations and Rules and, along with them, the new definitions of ‘Executing Entity’³ and ‘Implementing Partner’⁴ enabling UNDP to fully implement the new Common Country Programming Procedures resulting from the UNDP simplification and harmonization initiative.
4. All phases and aspects of the project shall be governed by and carried out in accordance with the relevant and applicable resolutions and decisions of the competent United Nations organs and the principles embedded in UNDP’s Financial Regulations and Rules, and in accordance with UNDP’s policies and procedures for such projects, and subject to the requirements of the UNDP Monitoring, Evaluation and Reporting System.
5. The Co-operating agency shall remain responsible for its part in UNDP-assisted development projects and the realization of their objectives as described in the Project Document.

³ Executing Entity shall mean, for UNDP programme activities carried out under the harmonized operational modalities established in response to General Assembly resolution 56/201, the entity that assumes the overall ownership over and responsibility for UNDP programme activities and the acceptance of accountability for results, and shall normally be the programme country Government.

⁴ Implementing Partner shall mean, for UNDP programme activities carried out under the harmonized operational modalities established in response to General Assembly resolution 56/201, the entity to which the Administrator has entrusted the implementation of UNDP assistance specified in a signed document along with the assumption of full responsibility and accountability for the effective use of UNDP resources and the delivery of outputs, as set forth in such document.



6. Assistance under the Project Document is provided for the benefit of the Government and the people of the Islamic Republic of Iran. The Co-operating Agency shall bear all imputable risks of operations in respect of this project.
7. The Co-operating Agency, in accordance with the Project Document, shall provide to the project the national counterpart personnel, training facilities, land, buildings, equipment and other required services and facilities.
8. The UNDP undertakes to complement and supplement the Co-operating Agency participation and will provide through the Implementing Partner the required expert services, training, equipment and other services within the funds available to the project.
9. Upon commencement of the project the Implementing Partner shall assume primary responsibility for project implementation and shall have the status of an independent contractor for this purpose. However, that primary responsibility shall be exercised in consultation with UNDP and in agreement with the Co-operating Agency. Arrangements to this effect shall be stipulated in the Project Document as well as for the transfer of this responsibility to the Co-operating Agency or to an entity designated by the Co-operating Agency during the implementation of the project.
10. Part of the Co-operating Agency's participation may take the form of cash contribution to UNDP. In such cases, the Implementing Partner will provide the related services and facilities and will account annually to the UNDP and to the Co-operating Agency for the expenditure incurred.

(a) Participation of the Government

1. The Co-operating Agency shall provide to the project the services, equipment and facilities in the quantities and at the time specified in the Project Document Budgetary provision, either in kind or in cash, for the Co-operating Agency's participation so specified shall be set forth in the Project Budgets.
2. The Co-operating Agency shall, as appropriate and in consultation with the Implementing Partner, assign a director for the project on a full-time basis. He shall carry out such responsibilities in the project as are assigned to him by the Co-operating Agency.
3. The estimated cost of items included in the Co-operating Agency contribution, as detailed in the project budget, shall be based on the best information available at the time of drafting the project proposal. It is understood that price fluctuations during the period of execution of the project may necessitate an adjustment of said contribution in monetary terms; the latter shall at all times be determined by the value of the services, equipment and facilities required for the proper implementation of the project.
4. Within the given number of work-months of personnel services described in the Project Document, minor adjustments of individual assignments of project personnel provided by the co-operating Agency may be made by the co-operating Agency in consultation with the Implementing Partner, if this is found to be in the best interest of the project. UNDP shall be so informed in all instances where such minor adjustments involve financial implications.
5. The Co-operating Agency shall continue to pay the local salaries and appropriate allowances of national counterpart personnel during the period of their absence from the project while on UNDP fellowships.
6. The Government shall defray any customs duties and other charges related to the clearance of project equipment, its transportation, handling, storage and related expenses within the country. It shall be responsible for its installation and maintenance, insurance, and replacement, if necessary after deliver to the project site.
7. The Co-operating Agency shall make available to the project – subject to existing security provisions and national laws and regulations – any published and unpublished reports, maps, records and other data, which are considered necessary to the implementation of the project. Such reports, maps, records and other data

shall be exclusively used for the implementation of the project. In cases when the Co-operating Agency, due to security provisions or national laws and regulations, does not make available reports, maps, records and other data considered necessary to the implementation of the project, UNDP and the Government may decide to modify or redesign the project or components thereof.

8. Unless otherwise agreed by the Parties in each case, patent rights, copyright and other similar rights to any discoveries or work resulting from UNDP assistance in respect of this project shall belong to the UNDP. Unless otherwise agreed by the Parties in each case, however, the Government shall have the right to use any such discoveries to work within the country free of royalty and any charge of similar nature.
9. The Co-operating Agency undertakes to assist all project personnel in finding suitable housing accommodation at reasonable rents.
10. The services and facilities specified in the Project Document which are to be provided to the project by the Co-operating Agency by means of a contribution in cash shall be set forth in the Project Budget. Payment shall be made in accordance with the Schedule of Payments in the Project Document.
11. Payment of the above-mentioned contribution on or before the dates specified in the Schedule of Payments is a prerequisite to commencement or continuation of project operations.

(b) Participation of the UNDP and the Implementing Partners

1. The UNDP shall provide to the project through the Implementing Partner the services, equipment and facilities described in the Project Document Budgetary provision for the UNDP contribution as specified shall be set forth in the Project Budgets.
2. The Implementing Partner shall consult with the Co-operating Agency and UNDP on the candidature of the Project Manager⁵ who, under the direction of the Implementing Partner, will be responsible in the country for the Implementing Partner's participation in the project.
3. The Project Manager shall supervise the experts and other entity personnel assigned to the project, and the on-the-job training of national counterpart personnel. The Project Manager shall be responsible for the management and efficient utilization of all UNDP-financed inputs, including equipment provided to the project.
4. The Implementing Partner, in consultation with the Co-operating Agency and UNDP, shall assign international staff and other personnel to the project as specified in the Project Document, select candidates for fellowships and determine standards for the training of national counterpart personnel.
5. Fellowships shall be administered in accordance with the fellowships regulations of the Implementing Partner.
6. The Implementing Partner may, in agreement with the Co-operating Agency and UNDP, implement part or the entire project by subcontract. The selection of subcontractors shall be made, after consultation with the Co-operating Agency and UNDP, taking into account the Implementing Partner's procedures.
7. All material, equipment and supplies which are purchased from UNDP resources will be used exclusively for the implementation of the project, and will remain the property of the UNDP in whose name it will be held by the Implementing Partner. Equipment supplied by the UNDP shall be marked with the insignia of the UNDP and of the Implementing Partner.
8. Arrangements may be made, if necessary, for a temporary transfer of custody of equipment to local authorities during the life of the project, without prejudice to the final transfer.

9. Prior to completion of UNDP assistance to the project, the Co-operating Agency, the UNDP and the Implementing Partner shall consult as to the disposition of all project equipment provided by the UNDP. Title to such equipment shall normally be transferred to the Co-operating Agency, or to an entity nominated by the Co-operating Agency, when it is required for continued operation of the project or for activities following directly there from. UNDP may, however, retain title to part or all of such equipment in accordance with UNDP regulations and rules.
10. At an agreed time after the completion of UNDP assistance to the project, the Co-operating Agency and the UNDP, and if necessary the Implementing Partner, shall review the activities continuing from or consequent upon the project with a view to evaluating its results.
11. UNDP may release information relating to any investment oriented project to potential investors, unless and until the Co-operating Agency has requested the UNDP in writing to restrict the release of information relating to such project.

(c) Rights, Facilities, Privileges and Immunities

1. In accordance with the Convention on the Privileges and Immunities of the United Nations of 1946, given effect to by the Act of 4 March 1973 of the Iranian National Assembly, and the Agreement between the United Nations Special Fund and the Government of Iran Concerning Assistance from the Special Fund, signed by the Minister of Foreign Affairs 6 October 1959, the officials of UNDP and other United Nations organizations associated with the project shall be accorded rights, facilities, privileges and immunities specified in said Convention and Agreement.
2. (a) Should the Parties agree to involve "Persons Performing Services" in this project in accordance with Article 8(3) of the Agreement between the United Nations Special Fund and the Government of Iran Concerning Assistance from the Special Fund, signed on 6 October 1959, the expression "persons performing services" as used in this Article of this Annex includes UN Volunteers, operational experts, Implementing Partners, their employees and contractors, implementing or assisting in the implementation of UNDP assistance to a project, other than Government nationals employed locally. Any agreement between the parties to involve persons performing services has to be approved in accordance with the Iranian national procedures.

(b) The expression "persons performing services" does not extend to cover nationals and the residents in the territory of Iran.

(c) The privileges and immunities are accorded to the officials of UNDP and other relevant UN organizations associated with the projects in the interest of the United Nations and not for the personal benefit of the individuals themselves. The Secretary-General shall have the right and duty to waive the immunity of any official in any case where, in his opinion, the immunity would impede the course of justice and can be waived without prejudice to the interest of the United Nations. The United Nations shall cooperate at all times with the appropriate authorities of the Islamic Republic of Iran to facilitate the proper administration of justice, secure the observance of police regulations and prevent the occurrence of any abuse in connection with the privileges, facilities and immunities referred to above.
3. (a) For purposes of the instruments on privileges and immunities referred to in the preceding parts of this Article:
 - i. All papers and documents relating to a project in the possession or under the control of the persons referred to in sub-paragraph 2(a), above, shall be deemed to be documents belonging to UNDP, the United Nations or the Specialized Agency concerned, as the case may be; and
 - ii. Equipment, materials and supplies brought into or purchased or leased by those persons within the country for purposes of a project shall be deemed to be property of UNDP, the United Nations or the Specialized Agency concerned, as the case may be.
4. The Cooperating Agency shall ensure:

(a) Prompt clearance of experts and other persons performing services in respect of this project; and

(b) The prompt release from customs of:

i. Equipment, materials and supplies required in connection with this project; and

ii. Property belonging to and intended for the personal use or consumption of the personnel of the UNDP, its Implementing Partners, or other persons performing services on their behalf in respect of this project, except for locally recruited personnel.

5. Nothing in the Project Document shall be construed to limit the rights, facilities, privileges or immunities conferred in any other instrument upon any person, natural or juridical, referred to hereunder.

6. The Co-operating Agency shall facilitate the project implementation under the provisions of the Project Document.

(d) Suspension or termination of activities

1. Following mutual consultation with the Co-operating Agency, UNDP may by written notice to the Co-operating Agency and to the Implementing Partner concerned suspend any project activities, if in the judgment of UNDP, any circumstances arise which interferes or threatens to interfere with the successful completion of the project of the accomplishment of its purposes.

2. The procedure for suspension and termination of a project are as follows:

a. Suspension: During the period of suspension, the Parties may consult and try to resolve the problems by corrective measures. If the problems are resolved, the project activities may be resumed. The UNDP Resident Representative confirms to the Parties the date for resuming such activities. However, UNDP may directly terminate a project, in cases it deems as force majeure.

b. Termination: A project may be terminated only after a period of suspension. If neither party has been able to reach a resolution of the problem within a reasonable period of time, either party may recommend the project's termination. Unspent TRAC1 or TRAC2 funds from a terminated project may be reprogrammed, taking into account the outstanding obligations of the terminated project. The Implementing Partner proceeds with the steps required for financial completion.

3. The UNDP Resident Representative takes the necessary steps regarding suspension or termination of a project and confirms it in writing to the parties concerned, in consultation with the national coordinating authority and the Implementing Partner.



X. RISK MANAGEMENT

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

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

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

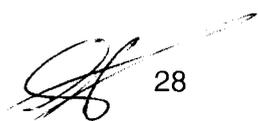
Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

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

The page concludes with three handwritten marks. On the left, there is a signature that appears to be 'A. J.'. To its right is another signature, possibly 'S'. On the far right, there is a long, horizontal flourish or signature.

XI. ANNEXES

1. Government Cost-Sharing Agreement
2. Risk Analysis
3. Project Board Terms of Reference and TORs of key management positions
4. Letter of Agreement between UNDP and Government of Iran for the Provision of Support Services

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ANNEX 1. Government Cost-Sharing Agreement

COST-SHARING AGREEMENT BETWEEN THE UNITED NATIONS DEVELOPMENT PROGRAMME AND THE GOVERNMENT OF ISLAMIC REPUBLIC OF IRAN

WHEREAS the United Nations Development Programme (hereinafter referred to as "UNDP") and the Government of the Islamic Republic of Iran, Ministry of Agriculture Jihad, Forests, Rangeland and Watershed Management Organization (hereinafter referred to as the "Government") have agreed to cooperate in the implementation of a project in the Islamic Republic of Iran (hereinafter referred to as "Project"), as described in the Project Addendum for Award ID 00013110, Project ID 00105937, in the Islamic Republic of Iran, and submitted to the Government for information.

WHEREAS the Government has informed UNDP of its willingness to contribute funds (hereinafter referred to as "the contribution") to the UNDP on a cost-sharing basis to increase the resources available for the Project;

WHEREAS the UNDP shall designate an Implementing Partner for the implementation of each Project financed from the contribution (hereinafter referred to as "Implementing Partner")

NOW THEREFORE, UNDP and the Government hereby agree as follows:

Article I

1. The Government shall, in the manner referred to in paragraph 2 of this Article, place at the disposal of UNDP the contribution of USD 7,600,000 (based on equivalent amount of IRR 282,780,800,000 using June 2017 UN Rate of Exchange of IRR 37,208/ per USD).
2. The Government shall, in accordance with the schedule of payments set out below, deposit the contribution in Bank Account No: 342515339, Bank Account Name: UNDP Representative in Iran, Sheba No: IR 16 0180 0000 0000 0342 5153 39 at the Tejarat Bank, Eskan Branch, Branch Code 033.⁶

	<u>Date payment due</u>	<u>Amount (USD)</u>
(a)	October 2017	1,140,000
(b)	October 2018	1,900,000
(c)	October 2019	1,900,000
(d)	October 2020	1,520,000
(e)	October 2021	1,140,000

3. The Government will inform UNDP when the Contribution is paid via an e-mail with remittance information to contributions@undp.org, providing the following information: Government's name, UNDP country office, Award ID 00013110, Project ID 00105937, Government reference (if available). This information should also be included in the bank remittance advice when funds are remitted to UNDP.

4. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether any further financing could be provided by the Government. The Parties acknowledge and agree that the Government shall have no obligation to provide this additional funding. However, the Parties also acknowledge and agree that in that event, if further financing is not available, UNDP shall have the sole faculty to reduce, suspend and/or terminate the activities under the Project.
5. The above schedule of payments⁷ takes into account the requirement that contributions shall be paid in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery.
6. All financial accounts and statements shall be expressed in United States dollars.
7. UNDP may agree to accept Contributions in a currency other than United States dollars provided such currency is fully convertible or readily usable by UNDP and subject to the provisions of paragraph 6 above. Any change in the currency of the Contribution shall be made only in agreement with UNDP.
8. Any interest revenue attributable to the contribution shall be credited to the UNDP Account and shall be utilized in accordance with established UNDP procedures.

Article II

1. In accordance with the decisions and directives of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the Contribution shall be subject to cost recovery for indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. To cover these GMS costs, the contribution shall be charged a fee equal to 3%. Furthermore, as long as they are unequivocally linked to the specific project(s), all direct costs of implementation, including the costs of implementing partner, will be identified in the project budget against a relevant budget line and borne by the project accordingly.
2. The aggregate of the amounts budgeted for the project, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available to the project under this Agreement as well as funds which may be available to the project for project costs and for support costs under other sources of financing.

Article III

1. The contribution shall be administered by the UNDP in accordance with UNDP regulations, rules, policies and procedures, applying its normal procedures for the execution of its projects.
2. Project management and expenditures shall be governed by the regulations, rules, policies and procedures of UNDP and, where applicable, the regulations, rules, policies and procedures of the Implementing Partner.

Article IV

1. The implementation of the responsibilities of the UNDP and of the Implementing Partner pursuant to this Agreement and the relevant project document shall be dependent on receipt by the UNDP of the contribution in accordance with the schedule of payments set out in Article I, paragraph 2, above. UNDP shall not start implementation of the activities prior to receiving the Contribution or the first tranche of the Contribution (whichever is applicable).

2. If unforeseen increases in expenditures or commitments are expected or realized (whether due to inflationary factors, fluctuation in exchange rates or unforeseen contingencies) UNDP shall submit to the Government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavors to make available to UNDP the additional funds required.
3. If the Contribution referred to in Article I, paragraph 2, above, are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph 2, above, is not forthcoming from the Government or other sources, the assistance to be provided to the Project under this Agreement may be reduced, suspended or terminated by UNDP.

Article V

Ownership of equipment, supplies and other property financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.

Article VI

The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules, policies and procedures of UNDP.

Article VII

UNDP shall provide the Government on request with financial and other reports prepared in accordance with UNDP reporting procedures.

Article VIII

1. UNDP shall notify the Government when all activities relating to the Project have been completed in accordance with the Prodoc.
2. Notwithstanding the completion of all activities relating to the Project, UNDP shall continue to hold unutilized funds from the Contribution until all commitments and liabilities incurred in implementation of the activities finance by the contribution have been satisfied and these activities brought to an orderly conclusion.
3. If the unutilized funds prove insufficient to meet such commitments and liabilities, UNDP shall notify the Government and consult with the Government on the manner in which such commitments and liabilities may be satisfied.
4. In cases where the Project is completed in accordance with the project document any funds below 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be automatically reallocated by UNDP. Any funds above 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated by UNDP after consultation with the Government.

Article IX

1. After consultations have taken place between the two Parties to this Agreement and provided that the funds from the Contribution already received are, together with other funds available to the Project, sufficient to meet all commitments and liabilities incurred in the implementation of the Project, this Agreement may be terminated by UNDP or by the Government. The Agreement shall cease to be in force thirty days after either of the Parties may have given notice in writing to the other Party of its decision to terminate the Agreement.



2. If the unutilized contribution-payments, together with other funds available to the Project, are insufficient to meet such commitments and liabilities, UNDP shall notify the Government and consult with the Government on the manner in which such commitments and liabilities may be satisfied.
3. Notwithstanding termination of this Agreement, UNDP shall continue to hold unutilized funds until all commitments and liabilities incurred in implementation of the activities financed by the contribution have been satisfied and these activities brought to an orderly conclusion.
4. In cases where this agreement is terminated before Project completion any funds below 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be automatically reallocated by UNDP. Any funds above 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated by UNDP after consultation with the Government.

Article X

Any notice or correspondence between UNDP and the Government will be addressed as follows:

- (a) To the Government: Khodakaram Jalali

Address: FRWO

- (b) Upon receipt of funds, UNDP shall send an electronic receipt to the Government email address provided below as confirmation that the remitted funds have been received by UNDP

Government email address: info@frw.org.ir

Attention:

- (c) To UNDP: Mr. Gary Lewis, Resident Representative

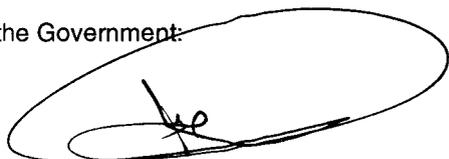
Address: United Nations Development Programme, UN Common Premises,
No. 8, Shahrzad Boulevard, Darrou, Tehran, I.R. Iran

Article XI

This Agreement shall enter into force upon the signature of this Agreement by parties hereto, on the date of the last signature.

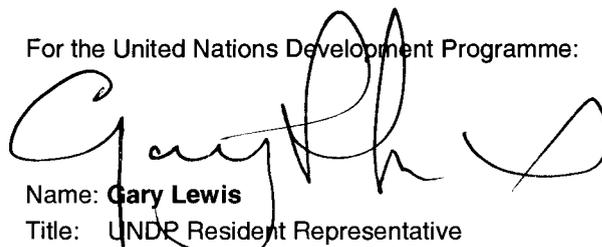
IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in the English language in two copies.

For the Government:



Name: **Khodakaram Jalali**
Title: Deputy Minister and Head of FRWO
Date:
Place: Tehran, Iran

For the United Nations Development Programme:



Name: **Gary Lewis**
Title: UNDP Resident Representative
Date: 17/6/17
Place: Tehran, Iran



ANNEX 2. Risk Analysis



OFFLINE RISK LOG

Project Title: Participatory Management of Natural Resources and Sustainable Rural Development in line with Carbon Sequestration in Desertified Areas		Award ID: 00013110	Date: June 2017
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#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	Changes in FRWO's and governmental line of affiliation within Government system or changes in the immediate management of the project	June 2017	Operational	Changes in FRWO's and governmental line of affiliation within Government system or changes in the immediate management of the project would cause significant delays and setbacks. Probability (P) = 1 (low) Impact (I) = 5 (high)	Continuous communication and coordination with project management team to keep abreast of ongoing status and any potential changes	UNDP Project Officer and project management team	UNDP Project Officer		
2	Cost-sharing contributions may not be provided on time and/or in due amounts	June 2017	Financial	Delays in receipt of cost-sharing contributions and/or deviations in scheduled amounts would cause delays in planned project activities and achievement of results P = 3 (moderate) I = 5 (high)	Sound financial management strategies put in place by UNDP to monitor schedule of contributions and inform project team accordingly and proper coordination by project team with relevant government budgeting authorities to ensure timely deposits of planned contributions	UNDP and project management team	UNDP Project Officer		
3	Extreme cases of	June 2017	Environmental	Such events would have	Necessary	Project team	UNDP Project		

	drought, flood, pest and disease outbreak; extreme climatic conditions may occur in project area		Financial Operational Organizational Political Regulatory Strategic Other	significant consequences for the implementation of project, particularly rehabilitation activities and would cause delays P = 1 (low) I = 5 (high)	assessments conducted as needed and contingency plans put in place	Project team	UNDP Project Officer		
4	Inadequate interest/support by provincial governments in case of a policy shift from participatory to top-down planning	June 2017	Political	Such a policy shift would result in delays in project progress and sustainability of project approach. Establishment of participatory and bottom-up approaches in project implementation and management sometimes challenging to achieve P = 1 (low) I = 5 (high)	Participatory decision making and planning at national, provincial and local level will enhance bottom-up and intersectoral collaboration during project				

ANNEX 3. Project Board Terms of Reference and TORs of key management positions

As this is an addendum for a third replication phase to the Phase II project document signed in April 2010, Project Board composition and Terms of Reference remain as is, with no change.

The board members will continue to provide the below in a participatory approach:

- High level decision making and planning and development of implementation framework
- Development and monitoring strategic objectives to deal with challenges and threats
- Support and monitor smooth and timely implementation of activities



3.A. Terms of Reference - National Project Director

The NPD, in the capacity of the Executive of the Project Board, is ultimately responsible for the project. His/her role is to ensure that the project remains focused throughout its life cycle on achieving its objectives and delivering its results.

Some of more specific responsibilities of the NPD are as follows:

- To ensure that there is a coherent project organization structure and plans;
- To authorize expenditure and set tolerances;
- To monitor the progress of project at a strategic level;
- To appraise all proposed changes to the project;
- To ensure that risks are being tracked and mitigated as effectively as possible;
- To brief the Programme Management about the project progress;
- Organize and chair Project Board meetings;
- Approve the Final Project Report and Lessons Learnt Report and ensure that any outstanding project issues are documented and reported to the appropriate body;
- To approve and send the project closure notification to the Programme Management;
- To ensure that the project has delivered its results by organizing a final project evaluation.



3.B. Terms of Reference - National Project Manager

The National Project Manager has the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints/tolerances laid down by the Board.

The National Project Manager's prime responsibility is to ensure that the project produces the results specified in the project document and the Annual Workplans, to the required standard of quality and within the specified constraints of time and cost. The NPD appoints the National Project Manager.

More specifically, the Project Manager is responsible to:

- Plan the activities of the project and monitor progress against the initial quality criteria;
- Mobilize goods and services to initiate activities, including drafting TORs and work specifications;
- Monitor events as determined in the Project Monitoring and Evaluation Plan, and update the plan as required;
- Manage requests for the provision of financial resources by UNDP, using direct payment modality;
- Monitor financial resources and accounting to ensure accuracy and reliability of financial reports;
- Responsible for preparing and submitting financial reports to UNDP on biannual basis;
- Manage and monitor the project risks initially identified, submit new risks to the Project Board for consideration and decision on possible actions if required; update the status of these risks by maintaining the Project Risks Log;
- Be responsible for managing issues and requests for change by maintaining an Issues Log;
- Prepare the Annual Project Progress Report (progress against planned activities, update on Risks and Issues, expenditures) and submit the report to the Project Board and Project Assurance;
- Prepare the Annual Review Report, and submit the report to the Project Board;
- Prepare the Annual Work Plan for the following year, as well as Mid-Year Plan.



ANNEX 4. Letter of Agreement between UNDP and Government of Iran for the Provision of Support Services

1. Reference is made to consultations between officials of the Government of *Iran* (hereinafter referred to as "the Government") and officials of UNDP with respect to the provision of support services by the UNDP country office for nationally managed programmes and projects. UNDP and the Government hereby agree that the UNDP country office may provide such support services at the request of the Government through its institution designated in the relevant programme support document or project document, as described below.
2. The UNDP country office may provide support services for assistance with reporting requirements and direct payment. In providing such support services, the UNDP country office shall ensure that the capacity of the Government-designated institution is strengthened to enable it to carry out such activities directly.
3. The UNDP country office may provide, at the request of the designated institution, the following support services for the activities of the programme/project:
 - Identification and/or recruitment of project and programme personnel;
 - Identification and facilitation of training activities;
 - Procurement of goods and services including customs clearance;
 - Travel Management Services;
 - Financial Record Management;
 - ICT Services
 - Logistical support to Event Organizations
4. The provision of support services as per paragraph 3 above by the UNDP country office shall be in accordance with the UNDP regulations, rules, policies and procedures. Support services described in paragraph 3 above shall be detailed in an annex to the programme support document, project document or the AWP, as negotiated and agreed upon by both parties. If the requirements for support services by the country office change during the life of a programme or project, the annex to the programme support document or project document is revised with the mutual agreement of the UNDP resident representative and the designated institution.
5. The relevant provisions of the Legal Annex to Project Documents including the provisions on liability and privileges and immunities, shall apply to the provision of such support services. The Government shall retain overall responsibility for the nationally managed programme or project through its designated institution. The responsibility of the UNDP country office for the provision of the support services described herein shall be limited to the provision of such support services detailed in the annex to the programme support document, project document or the AWP.
6. Any claim or dispute arising under or in connection with the provision of support services by the UNDP country office in accordance with this letter shall be handled pursuant to the relevant provisions of the Legal Annex to Project Documents.
7. The manner and method of cost-recovery by the UNDP country office in providing the support services described in paragraph 3 above shall be specified in the annex to the programme support document or project document.
8. The UNDP country office shall submit progress reports on the support services provided and shall report on the costs reimbursed in providing such services, as may be required.
9. Any modification of the present arrangements shall be effected by mutual written agreement of the parties hereto.

