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PROJECT DOCUMENT
Islamic Republic of Iran

Project Title: "Enhancing integrated natural resource management for the restoration of wetland ecosystems and support to alternative livelihoods development of local communities"

Project Number: 120072 **Output Number:** 116382

Implementing Partner: Department of Environment of Iran

Start Date: 1 Feb 2020 **End Date:** 31 Jan 2025 **PAC Meeting date:** 8 January 2020

Brief Description

Wetlands are disappearing around the world including Iran due to climate change and inefficient water use, particularly in agriculture. Sistan plain including Hamoun wetlands in Sistan and Baluchestan province of Iran is also vulnerable to climate change, especially concerning its impacts on water availability (surface runoffs and underground water storage expected to decrease), increased temperatures and increased hot-spots of sand and dust storms, all of which exacerbate the impacts brought about by the degradation of wetlands. Degrading Situation of wetlands in Sistan plain has already had negative consequences for rural livelihoods and exacerbated sand and dust storms due to the dry former lakes and riverbeds. This situation causes displacement of women, men, and children, putting them in situations of increased vulnerability and at risk of poverty.

In order to address the abovementioned challenges, the project will promote integrated natural resource management for the restoration of wetland ecosystems and support alternative livelihoods development of local communities in the Hamoun wetlands. To do so, the project activities are designed to contribute to three main components: Component 1: Better capacities and coordination; Component 2: Sustainable land and water management; Component 3: Climate-smart agriculture and alternative livelihoods.

Contributing Outcome (UNDAF/CPD, RPD or GPD):
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 (UNDAF outcomes 1.1 and 1.2).
CPD OUTCOME 3: Relevant government agencies formulate, implement and monitor their social welfare, poverty eradication and sustainable employment policies and programmes more effectively (UNDAF Outcomes 3.1 and 3.5)
Indicative Output(s) with gender marker: GEN 2

Total resources required:	USD 11,206,000	
Total resources allocated:	UNDP TRAC:	100,000
	Donor (EU):	11,106,000
	In-Kind:	

Agreed by:

UNDP	Implementing Partner
Mr. Claudio Providas Resident Representative UNDP 	Mr. Ahmadreza Lahijanzadeh Deputy Marine Environment and Wetlands Department of Environment 
Date: 1 Feb 2020	Date: 2 March 2020

I. DEVELOPMENT CHALLENGE

Water limitation often leads to resource allocation rivalry. Natural ecosystems and wetlands among the most productive ecosystems usually suffer when in competition with development. Challenges in the management of Iran's wetlands have been exacerbated by unsustainable use of scarce water resource and persistent droughts. Iran is also vulnerable to climate change, especially concerning its impacts on water availability (surface runoffs and underground water storage expected to decrease), increased temperatures and increased hot-spots of sand and dust storms, all of which exacerbate the impacts brought about by the degradation of wetlands. The situation has already had negative consequences for rural livelihoods and exacerbated sand and dust storms due to the dry former lakes and riverbeds. Biodiversity and rural incomes have been severely affected, and large number of villages in the east and south of Iran have been severely affected due to these phenomena. This situation causes displacement of women, men, and children, putting them in situations of increased vulnerability and at risk of poverty. While the wetlands targeted by this action are a transboundary water resource, there is currently no existing agreement or cooperation mechanism on the restoration of the wetlands, their habitats, or on best practices in the area of sustainable livelihoods and adaptation measures.

The Sistan and Baluchestan province is the second largest province in Iran with an area of 180,726 km², a population of 2.5 million, and a density of 22 people per km¹. The province borders with Afghanistan and Pakistan in the east, sharing water resources with them. In 2018 the population growth rate was 3%, and the unemployment percentage in the same year was 18.6%². The young population represents 67% of the total population and is the segment that is most affected by the unemployment problem. Over recent years, the youth coefficient of the population has increased. The province also holds a low rank in terms of quality, education level, and skills of the work force.

Figure 1. Sistan and Baluchestan Province



¹ National Census, 2018.

The Hamoun system - Natural conditions

The Sistan plain is located in the north of the Sistan and Baluchestan province and one of the driest regions of Iran at the tail end of a river basin shared with Afghanistan. It comprises

three geographical sub-units: (i) the upper plain of the inland delta of the Helmand (Hirmand) river, which is mostly drained and used for agriculture; (ii) the wetlands (Hamoun) covering the lower delta plain and (iii) a hypersaline lake (Gowd-e-Zarch) in the lowest part of the basin.

The Hamouns are transboundary wetlands on the Iran-Afghanistan border and cover three lakes: Hamoun-e Hirmand (entirely in Iran); the Hamoun-e Sabari on the border and shared by both countries; and the Hamoun-e Puzak, almost entirely inside Afghanistan territory. Furthermore, the wetlands are an integral part of the region's unique social and cultural environment.

Figure 2. Hamoun wetlands



Source: (map) j. You/science; (data) d. Del Pietro, United Nations Environment Program global resource information database-Geneva.

The Hamoun wetlands in Iran's territory are fed by the Helmand river along with other small rivers, the Khash, the Farah and the Ardaskan (Harut) rivers, which receive waters from the western part of the Hindu Kush. With an area of about 50,700 square kilometers and a depth of 1 to 5 meters, the interconnected wetlands were considered in the past the largest freshwater lake across the Iranian Plateau.

The average annual precipitation in the lower Sistan basin is about 53.5 mm³. Life, including of humans, is only possible if there is an inflow of external water to the region.

Additionally, the water supply from the Helmand river is characterized by marked fluctuations. At the moment, and since the year 2000, the environmental conditions in the wetlands were marked by an extreme drought lasting 19 years, and it is not yet certain that this phase is over. The Helmand River has changed its pathway and flows numerous times forcing human migration in order to access its abundant water supply and the resulting benefits of the river. Additionally, there is no outflow from the end of the lake since water is lost only by evaporation. Droughts and inundations, human settlement and natural life suffered several problems over history because of these extreme conditions.

The situation has become more difficult and unsustainable in the basin in the last decades during which the growth in the population together with the intensification of economic activity impacted on the natural environment. The combined effects of natural and man-made simultaneous influences have had very severe

impacts on natural and human life across the Hamoun wetlands. The most severe drought recorded commenced in 1998 and has lasted until now varying in different periods until 2019.

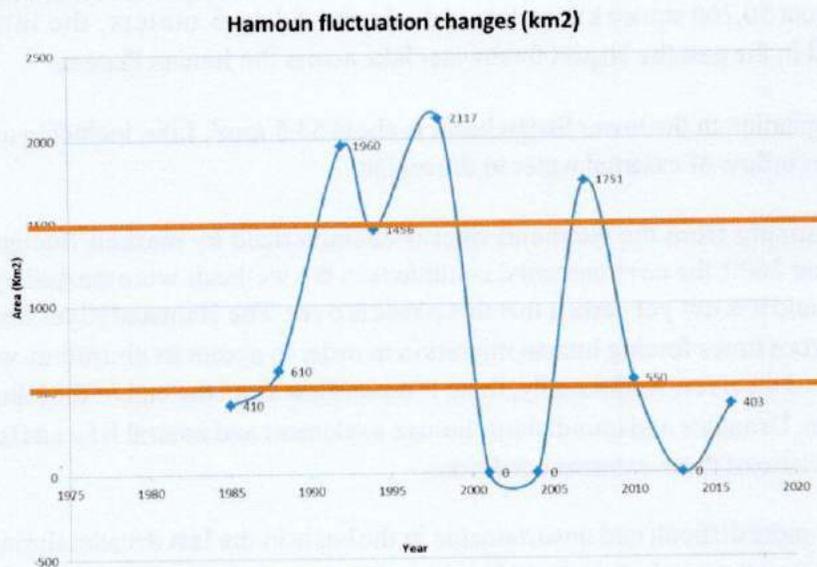
Over the last decades, the government has promoted the protection of the Hamoun environment to preserve the local flora and fauna. From 1975, about 60,000 ha of Hamoun wetlands have been designated as an internationally important wetland (Ramsar site). In July 1990, all three Hamoun sub-regions were placed on the Montreux Record of priority sites for conservation action and currently about 293,030 ha of Hamoun wetlands are managed as a wildlife refuge⁴. In 1990, the southern end of Hamoun-e Puzak, Hamoun-e Saberi, and Hamoun-e Hirmand were put on the Red List of the Ramsar Convention. In the last decade, the government of Iran promoted the nomination of the wetlands in the UNESCO Man and Biosphere Program. In March 2016, the International Coordinating Council of UNESCO's Man and the Biosphere Program approved and added Hamoun to the World Network of Biosphere Reserves.

The environmental problem

The Hamoun wetlands are located in an extremely arid region and are entirely dependent on the water sources coming from the Helmand river in Afghanistan. The region's main environmental challenge is the variability in that river that often fails to carry this resource. Serious degradation occurs when dry periods extend over unusual durations, threatening not only the ecosystem (flora and fauna) but limiting the possibilities for human livelihoods as well.

Based on satellite image analysis and the available record from the government of Iran, different flow periods can be determined over the last forty years, which resulted in different inundation patterns in the Hamouns:

- A low-water period in 1985
- A medium and high-water period in 1986-1999
- A dry period in 2000-2005
- A medium-water period in 2005-2010
- A dry period in 2010-2018



Source: Conservation of Iranian Wetlands Project

⁴ UNDP "Restoration and sustainable use of the shared Sistan basin a baseline situation analysis". February 2005.

As can be observed, fluctuation in the water flow can vary from high water to very dry periods. Additionally, there is a tendency in the reduction of water in the basin since 2000.

The wetland vegetation distribution shows a continuous decline of the vegetation cover, observable from 1985 to the onset of the drought in 2019. Additionally, it can be noticed that the vegetation cover extent does not match with the water inundation. This would indicate that other factors than water availability are playing an important role in vegetation development.

There was hardly any inflow into the Sistan wetlands between 2000 and 2019, and this drought resulted in the disappearance of the vegetation cover and the consequent collapse of the ecosystem.

Figure 3. The disappearance of the vegetation cover in the wetlands ⁵



These wetlands provide a habitat for diverse and globally significant fauna and flora. They also provide vital support for sustaining the local economy and for regulating the micro-climate of the region. In the past, most of the wetlands were green and boasted a variety of flora and fauna. The area hosted globally significant bird populations and the lake teemed with fish with the total annual catch exceeding 12,000 tonnes per year.

Regarding the environmental pressure in the wetlands, several factors have accelerated and affected the current dry period. The wetlands are currently in a state of ecological crisis with major impacts on biodiversity and socio-economic conditions. The retreat of the Hamoun lakes and wetlands—a process that accelerated in the late 1990s until the surface water largely vanished in 2004—has compounded the crisis.

Some of the reasons for this situation are the reduction in precipitation in the area, possibly because of accelerating climate change. Additionally, there is an increase in the abstraction of water from rivers and mismanagement of water resources in the Sistan basin. Farmers in the area still use traditional irrigation systems with low water efficiency and over-exploitation of the pastures by local livestock is also affecting the environment. The drinking water demand in the region is low compared to the demand for agriculture and the 'demand' of the Hamouns. A direct relation can be seen between the use of water for irrigated agriculture and the environmental conditions in the area; a further increase of irrigation water will decrease even further the average water cover in the wetlands and will have corresponding negative impacts on ecology and health⁶.

Developing the Sistan basin and protecting the Hamouns requires intensive cooperation between Afghanistan and Iran. This cooperation should be based on 'sharing' and joint development and management of the river basins. The present treaty between Iran and Afghanistan does not include the protection of the ecosystems in the wetlands.

⁵ Idem.

⁶ Water Research Institute. Integrated Water Resources Management for the Sistan Closed Inland Delta, Iran. Main Report. April 2006.

Declining allocations of water to the environment can, therefore, lead to wider environmental problems such as salinization, dust storms, the spread of microbial diseases, desertification, disappearance of wetlands and loss of biodiversity. This is the current case of the Hamoun wetlands where strong winds blow from the North over the region in spring and summer. Known as the '120-day winds' from late May to late September, this strong wind blows in the same direction at a velocity of more than 70km/h. When the Hamoun Lakes had water and vegetation covered the land, the 120-day winds served as a cooling system during the hot, dry summers. However, now that the area is dry, the 120-day winds drive a great deal of soil, silt and clay from the dry lake beds and spread it over the region. All these particles driven by the wind create dunes and bury houses, while silt and clay particles send suspensions of dust into the air cause several types of respiratory and optical infections. These seasonal winds have increased both in duration and speed, for instance, in 2004, the seasonal winds lasted for 230 days, and their maximum speed exceeded 120km/h.⁷

Because of the windblown micrograms and other small particles, Zabol was included by WHO in the list of the most polluted cities in the worlds by particulate matter concentration.

Livelihoods in the Hamoun wetlands

Iran has a vast natural resource endowment and can draw heavily upon its large, young, tech-savvy and growing population. The population of Sistan and Baluchistan province is 2,775,014. The Hamoun wetlands have a population of more than 66,000 inhabitants, and more than 400,000 people inhabit Sistan district. Only 8 out of the 200 villages that constitute the region have more than 1,000 residents. In the region of Sistan, Zahak and Zabol are the most populated sub-regions with 178,690 and 165,560 people living there respectively⁸.

More than 67 percent of the population of Sistan Baluchistan province is under 30 years old⁹. The environmental conditions are having a negative impact on economic activities, leaving young people (particularly women) negatively affected in terms of unemployment and access to sustainable livelihoods. The mortality rate in Sistan Baluchistan province is 14.03 percent¹⁰. The unemployment percentage in Sistan Baluchistan province is 18.6 percent.¹¹

Sistan and Baluchestan province is the poorest province of Iran, with 53 percent of people living with less than \$5.5 per day PPP¹² in 2016. Provincial poverty rates seem to be correlated with the low level of urbanization, employment, inequality and access to infrastructure observed in province. The population in Sistan and Baluchestan is found to have the highest probability of being poor compared to the rest of the provinces in the country.

The main economic activities for the families in the Hamouns and towns nearby are agriculture, livestock, fishing, trade and handicraft production. However, with the extreme weather condition, namely the lack of water, rapid evaporation of the lake and the seasonal winds, traditional economic activities are not practiced anymore in many villages. It is estimated by the local authorities that there were more than 5,000 families of fishers. Although the government has invested in improving the genetics of the fishes, the lack of water in the lake has been a major barrier for many families to find food and has increased the risk of food insecurity.

⁷ UNDP, "Restoration and Sustainable use of the Shared Sistan Basin a Baseline Situation Analysis". February 2005. Page 11.

⁸ Statistical Centre of Iran, 2016

⁹ Directorate of Civil Registration of Sistan Baluchistan province: Statistical Centre of Iran, 2017.

¹⁰ Deputy of Medical Sciences, Zahedan University. Statistical Centre of Iran, 2016.

¹¹ Statistical Centre of Iran, 2018.

¹² World Bank, Iran Economic Monitor. Weathering Economic Challenges Special Focus Topic: Understanding the latest poverty trends in Iran (2009–2016). 2018. Page 39.

Agricultural activities used to be one of the main economic activities in the Sistan Basin, growing food for selling in other parts of the country. There was an area of approximately 200,000 ha of arable land¹³ and the total area classified as irrigated for cultivation and orchards is estimated at 150,000 ha. As a consequence of the latest droughts, large portions of the arable land are no longer under cultivation. According to government partners, the maximum number of hectares of cultivated land at the moment does not exceed 40,000 ha. Farmers produce cereals in limited acreages where they can obtain a low quality of drained water through so-called "Chahak" small wells. No reliable data exists on the presence of fruit production in the past within the Basin.

In general, the Sistan District is very arid, most of the land being desert and the majority of the agricultural activity is dependent on irrigation. The livelihood of most people in the basin is acutely vulnerable to climatic variations. In the Sistan basin, the economic structure consists largely of small-scale, family and traditional activities. Agricultural (irrigated and non-irrigated) practices are the principal economic activities in the river catchment on which it is calculated that over 67 percent¹⁴ of the population of Zabol District is dependent.

It is estimated that of the total 915,000 hectares of the land area of Zabol District, only 9.8 percent is arable. The remaining land comprises pasture, desert or wildlands. About 98 percent of total arable and permanent cropland was irrigated in 2002, mostly for wheat and horticulture. Crops grown in the area include wheat, barley, forage, garden products, beans, watermelons, melons, onions, alfalfa and other greens. Traditional practices have been abandoned and, in some cases, traditional skills are being lost. If this situation is allowed to continue, it could cause irreversible damage to the social and cultural fabric of the region. In the past, the economy was largely dependent on growing livestock as a source of cash income and an integral component in most existing farming systems. The recent six years drought has had a major impact on livestock numbers which have suffered.

Regarding industrial development in the region and nearby cities, few middle size industries can be found. However, there are many small local industries and enterprises providing services. Transboundary commerce seems to be an important source of income for the local families that trade raw materials and small industrialised products with Afghanistan. However, because of the security issues and lack of local production, the transboundary fairs have been discontinued.

In past decades, the products of Hamoun were sold in nearby regions and even in the central provinces. However, since the dry period started, local production is limited, and the small amounts produced are sold in the local market.

The regions constitute a unique natural resource, with cultural heritage, indigenous culture and agricultural productions. A brief historical review of the Sistan plain shows that the Hamoun wetlands have been crucial in the development of civilisations from 8,000 to 5,000 years ago and some very important archaeological sites belong to Shahri Sokhta (Burnt City).

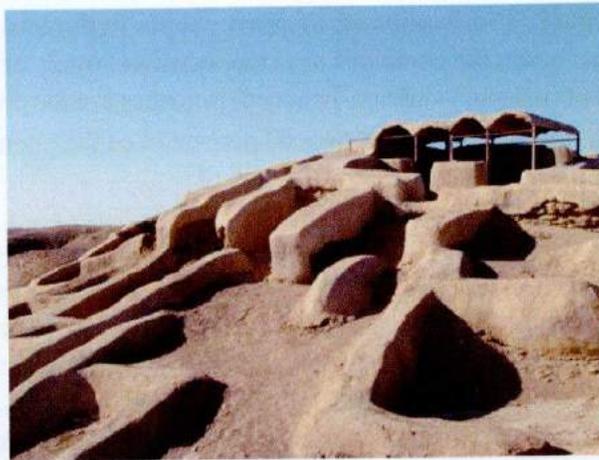
The site, along with other tourism attractions present in the region, can represent the starting point for the development of the tourism industry related to hospitality and handicraft industry. Authorities in the museum of the Burnt City explained that more than 4,000 visitors come to the site every year and most of them are nationals. The site needs greater infrastructure and authorities would be interested in promoting joint actions with the local entrepreneurs and handicrafts groups. Some other attractions that could be used for the development of the tourism industry in the region are as follows: Shahr-e Sukhteh (Shahr-e Sookhteh or Burnt City) is an ancient city located at a distance of 60km from Zabol and 6 km from the Rostam Castle. This city was one of the vital centers of Asian civilisation in the Bronze Age, and dates to the 4th and 3rd millennium BC.

¹³ Idem. Page 5

¹⁴ Idem. Page 22.

- Dahan-e Gholaman is the largest Achaemenid site in all of eastern Iran
- Karkooy Fire Temple (also known as Karkousha or Karkoo) is located in Karkooy or Karkouyeh Village (Hirmand County)
- Kooh-e-Khajeh (Khawjeh Mount or Mount Khajeh) is one of the most valuable and historical relics of this province and is located in the territory of Sistan
- Local handicrafts such as ceramics, pottery vessels, reeds curtains, handwoven cloths, and carpets

Picture: Burnt City



There is potential for the development of the handicraft sector in the region. In 2018, the province of Sistan and Baluchestan exported \$11 million of handicrafts. Handicraft exports from the Republic of Iran reached \$289 million in 2018, showing a percent yearly growth, according to data compiled by the Cultural Heritage, Handicrafts and Tourism Organization.

Traditional ceramics, pottery vessels, handwoven cloths as well as personal ornamentations can be sold in Iraq, Afghanistan, Germany, the U.S., the UK, and other countries. However, local handicraft groups and tourism operators are still undeveloped in Hamoun and Zabol counties.

Progress towards the protection and management of the wetlands

With the aim of the restoration, protection and sustainable use of the Hamoun Lakes, the United Nations Development Programme has supported a series of efforts since 2001. These resulted in the development of a project proposal to be driven jointly by the Islamic Republic of Iran and Afghanistan and supported by the Global Environment Facility.

Additionally, UNDP conducted a study in February 2005 with the aim of providing an update on the status of the Sistan Basin. Geographically, this study focused mainly on the Iranian portion of the Basin area and an overview of the socio-economic context and analysis on the environmental problem and trends in the region.¹⁵

In 2010, UNDP commenced the project MENARID- Institutional Strengthening and Coherence for Integrated Natural Resources Management in Iran. The project aimed to remove barriers to Integrated Natural Resources Management (INRM) by developing and strengthening institutional knowledge, capacity and coordination, and by demonstrating and upscaling successful sustainable land and water management practices.

¹⁵ UNDP, "Restoration and Sustainable Use of The Shared Sistan Basin a Baseline Situation Analysis. February 2005. Page 5.

In 2014, UNDP and the Department of Environment Islamic Republic of Iran (DOE) implemented the International Technical Round Table. A final recommendation report was prepared after a 3-day technical round table which brought together eminent Iranian and international experts to develop solutions for consideration by the government. The report gathers a range of practical and in-country solutions specifically for the Hamoun wetlands and Lake Urmia.

Between 2014 and 2016, UNDP has supported the development of the Hamoun Wetlands Integrated Management Plan using a participatory methodology to ensure participation of all regional stakeholders, including the local community. Since then, the Directorate of Environmental Protection of Sistan and Baluchestan Province has been guiding the process of implementation of the management plan as well as leading the technical working group for the wetland's restoration.

The goal of the plan is the application of the ecosystem management approach for the sustainable revival, protection, and use of the Hamoun International Wetlands with the effective participation of all stakeholders and all authorities at local, national and international levels.

The Hamoun Wetlands Integrated Management Plan provides a description of the key stakeholders for the wetlands, and lists four objectives for the restoration of the area:

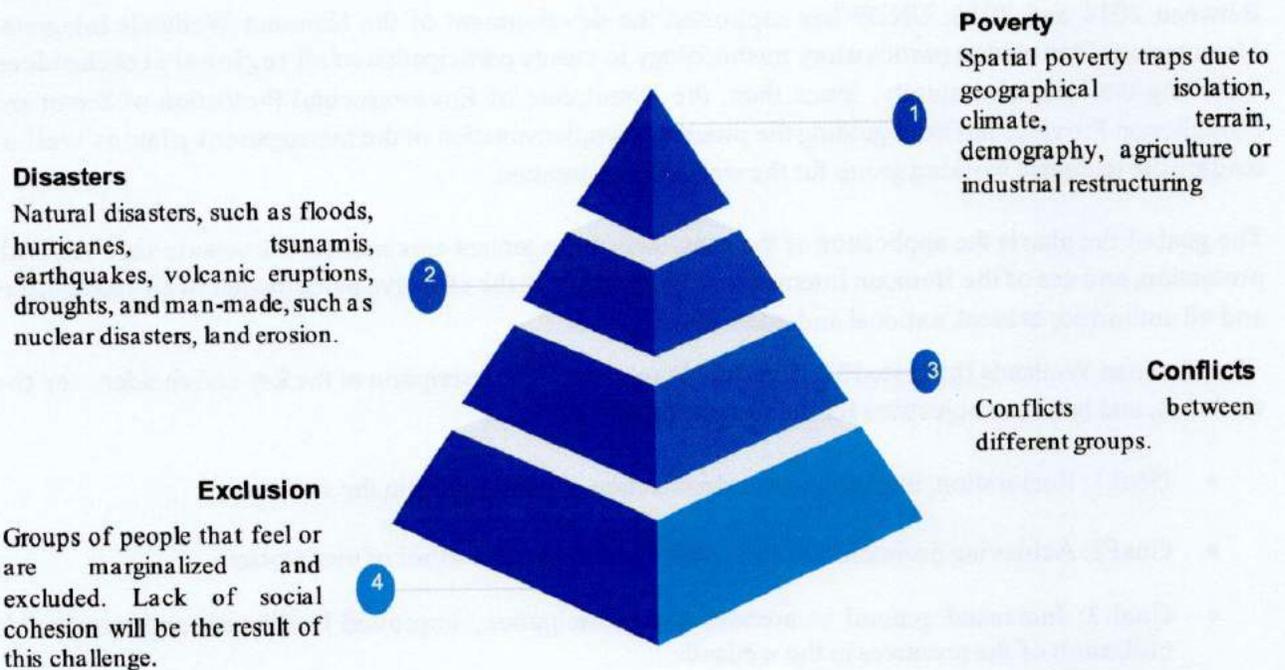
- Goal 1: Restoration, improvement and protection of biodiversity in the wetlands
- Goal 2: Achieving desirable soil and water conditions and control of dust storms
- Goal 3: Increased general awareness and participation, improved livelihood, and sustainable utilisation of the resources in the wetlands
- Goal 4: Upgrading international cooperation on protection and management of the Hamoun international wetlands

II. STRATEGY

Over the past decade, Hamoun wetlands have been affected by severe droughts and increasing pressures of over-extraction of water which have deepened the inflow-outflow imbalance of the lake. Droughts are expected to increase in intensity due to climate change. In response, the action will enhance institutional capabilities for implementing integrated natural resource management to restore wetland ecosystems and to improve resilient livelihoods across the region. The action is intended to build technical capacities in the two countries while also advocating for extending cooperation in the area of environment and natural resources management, which will contribute to the Hamoun wetlands ecosystem's rehabilitation.

All phases of the project are designed around the premise that socioeconomic, biodiversity and water-related issues are interrelated components of a wetland ecosystem which should be taken into consideration when planning for restoration, livelihoods development and management of the region. The project implementation strategy brings together the pieces of the puzzle to ensure that all aspects of the integral **area-based development** in the wetlands are covered.

As we have seen, countries face different development situations, regions inside countries have their own challenges alongside different socio-economical and natural conditions. As a result, the development situations are different and therefore require a special approach. Four types of development situations¹⁶ can be distinguished:



The above-mentioned development situations which often occur simultaneously are key factors to ensure an integrated approach while implementing developing actions. Poverty and marginalization often go together and are exacerbated by disasters and climate change.

Targeting specific geographical areas in a country, characterized by a particular complex development problem, through an integrated, inclusive, participatory and flexible approach can bring positive results to address each specific context.

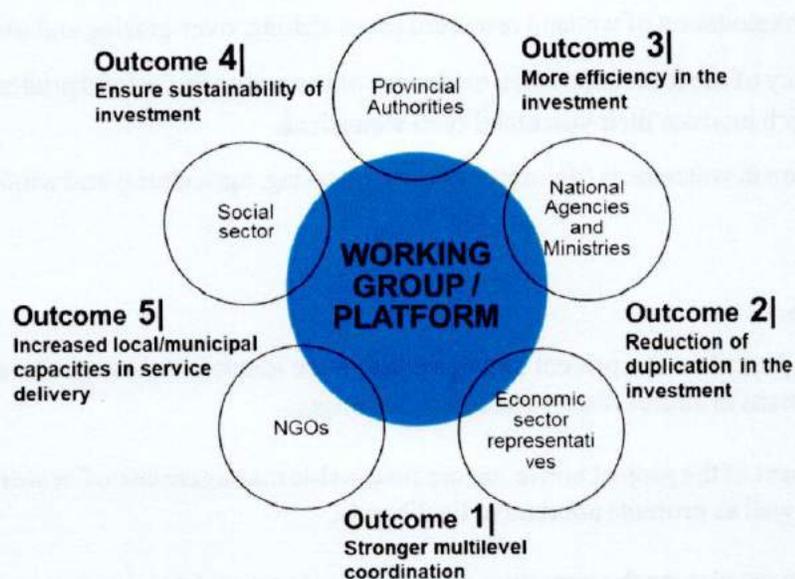
Moreover, the area-based approach highlights institutional linkages and integration across sectors for a given territory. Additionally, it stresses the need to improve connections among households and institutions in a given area as well as coordination across areas and sectors to promote cohesive development processes. This approach is based on a multi-actor and multi-sector approach, where the plurality of actors of a given territory – local authorities, CSOs, academia, the private sector, traditionally excluded groups – work jointly to define priorities, plan and implement sustainable human development strategies. Joint work of different institutions allows greater coherence among those development actors operating in the same space, instead of each actor working in separate sectors.

The area-based development refers to integrated multi-sector development across a specific portion of the territory (municipalities, regions, subregions), guided by a spatial vision for the desired future and supported by strategic investments. Moreover, it is understood as a process of socially constructing a particular area,

¹⁶ UNDP and IDB. "A Practitioner's Guide to Area-Based Development Programming". 2006.

driven by the interaction between geophysical characteristics, individual and collective initiatives and economic, technological, sociopolitical, cultural and environmental forces within the territory¹⁷.

Figure 4. Regional working group for better coordination and linkage



Capacity Building for Better Coordination and Articulation of Stakeholders

Capacity building and education are the main tools of participatory-development projects. Hence, the project tries to enhance the level of stakeholders' participation, local communities in particular, in planning and implementing actions to restore and manage fragile environments such as the wetlands.

Training and learning-by-doing will be implemented to support local institutions to ensure sustainable management of the region. During the project implementation, a comprehensive capacity and needs analysis will be carried out within existing institutional frameworks to understand gaps and propose solutions for intervention. Thereafter, capacity building plans based on the identified needs will be developed and implemented.

Three-phase approach

The project will apply a three-phase approach that will demonstrate progressive development in the capacity of the local institutions as well as the final beneficiaries. Each phase has been designed to address identified problems and challenges in the Hamoun wetlands and nearby regions. Moreover, the components at the beginning of the project are designed to promote strategic thinking among public and private stakeholders in order to implement participatory planning.

Several threats to the sustainable management of the wetlands and livelihoods of the population will be addressed by the project, namely:

17 CEPAL, Panorama del desarrollo territorial en América Latina y el Caribe. Agendas globales de desarrollo y planificación multinivel. 2017.

- Low coordination and dialogue between the governments of Iran and Afghanistan about the use and management of the wetlands
- Changes to the water regime (dams, diversion, irrigation, wastage)
- Poor coordination among regional organisations responsible for the management of the wetlands.
- Low cross-sectorial interventions and joint interventions between institutions
- Unsustainable exploitation of wetland resources (over-fishing, over-grazing and over-hunting)
- High dependency of the local population on the use of the wetlands for food production and income generation, which increase their vulnerability to watersheds
- Land degradation in watersheds (deforestation, over-grazing, agriculture) and wind erosion.

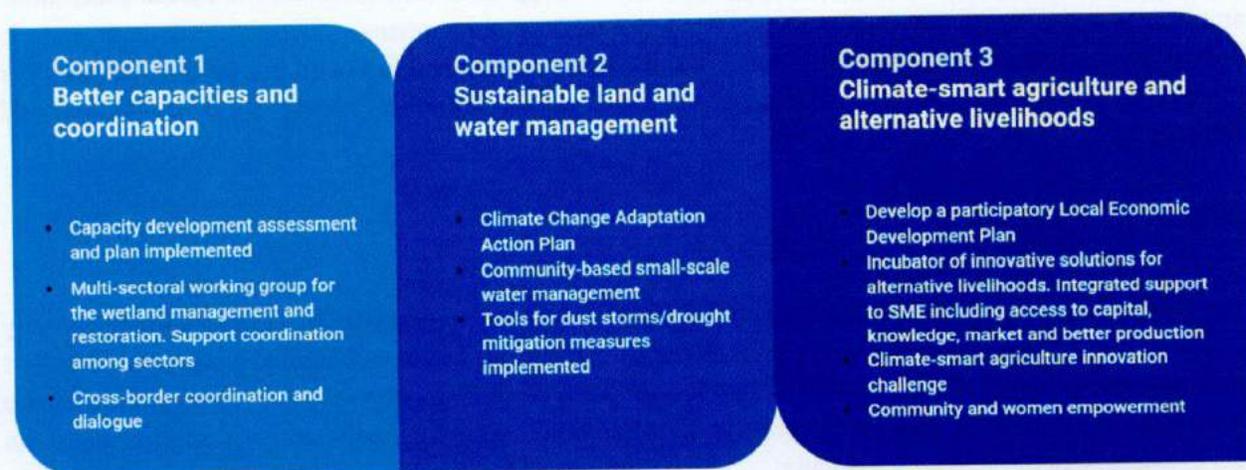
Theory of change

The following section describes the project strategies that were identified through the above-described process as the best solutions to address the overarching challenges:

The three main component of the project aim to ensure sustainable management of water resources and agricultural land use as well as promote alternative livelihoods.

Component 1 focuses on developing the capacities of the regional sectorial departments to contribute and ensure the restoration and management of the wetlands. This component will also include the promotion of bilateral meetings and activities between Iran and Afghanistan in order to promote better coordination and dialogue for shared waters and ecosystem management. Additionally, the project, through a multi-sectoral working group, will raise awareness among local sectors and population on ecosystem services of the Hamoun wetlands in order to enhance public participation in their management. Biodiversity conservation and sustainable use of wetland resources are key components of the project.

Figure 5. Project components



Component 2 will support the development of a Climate Change Adaptation Action Plan that will provide a detailed list of concrete and prioritized actions agreed by the stakeholders. Subsequently, the project team will work on the implementation of the Action Plan on watershed management, water efficiency, wetland restoration, biodiversity conservation with special focus on climate change adaptation. Engaging the local communities in the restoration of the lake, mainly through implementing sustainable agriculture solutions in the pilot farms and also engaging women in alternative livelihood would be another priority area of this component and additionally a number of tools for dust storms and drought mitigation measures will be identified and implemented.

Component 3 will support inclusive economic development and empowerment to reduce poverty and promote job creation in the Sistan basin, focusing on women and youth based on a deep analysis of the existing resources and participation of local communities and stakeholders will allow creating a comprehensive analysis as well as developing their knowledge about the region and opportunities for development. Providing technical assistance in the development of strategies for local economic development and tourism would be another area of focus and activities for this component include technical support and capacity building to the Provincial Government in evidence-based planning for local economic development and enhances the participation of women and young people in the planning and implementation process of local economic development strategies. Moreover, activities will be implemented to create an enabling environment for the private sector, entrepreneurs and cooperatives to operate and boost their profits, improve production and reach new markets in line with providing financial and non-financial support to cooperatives, women and young people in rural areas to develop and up-scale their economic activities.

For implanting the above activities are some assumption and risk which the assumption has been listed below and risks have been discussed in Annex 3 of the project document.

Assumption

- 1) The mechanisms that will be developed under this project need to be fully adopted and hosted by all related government agencies and bring a sense of ownership among key stakeholders
- 2) The integrated management plan of Hamoun wetlands needs to be embedded within national/provincial government budgetary mechanisms to ensure the long-term implementation of the plan and commit each stakeholder to their assigned responsibilities.
- 3) It is envisaged that an increase in the awareness of the local population will lead to an increase in the level of interest in the local community. In turn, this will lead to an increase in participation levels.
- 4) The link between the local empowerment/capacity development and an increase in participation would be applicable if there are enough incentives (economic, power...) for the local population.
- 5) Any new alternative livelihood needs to be supported through appropriate mechanisms to ensure sustainability of income for local community and effective engagement in project activities.
- 6) The local and national multi-stakeholder coordination/management mechanisms need to be directly linked and progressively merged with related legal decision-making mechanisms.
- 7) Government authorities will continuously and consistently participate in project activities, thereby developing their capacities.

Policy framework

The project will contribute to the implementation of the national policy framework related to biodiversity protection and wetlands management. It builds on the April 2016 Joint Statement between European union HRVP and Iran Foreign Minister, in particular with respect to the recognition of the importance of cooperation in the areas of water resources management, conservation and sustainable use of nature, biodiversity, and desertification.

In addition, this action builds on the 19 November 2018 EU Council conclusions on Water Diplomacy¹⁸. It is designed to maximise the potential of water as a tool for peace and stability through transboundary water cooperation and in addressing the water-related consequences of climate change. It integrates a gender perspective with alternative livelihoods interventions focusing on women. It is also in line with the EU-Iran Framework for technical cooperation on the environment and its associated Joint Roadmap.

¹⁸ 13991/18 of 19.11.2018

The action is in line with the national policies for the environment, including article 38 of the Sixth Five-Year Development Plan (2017-21). This article emphasises the need for development and implementation of action plans for conserving and managing biodiversity and protected areas through a participatory approach. Additionally, it fully aligns with national priorities and processes related to gender in the Sixth Five-Year National Development Plan (2017-2021), specifically article 101 on protecting women's rights and enabling society to benefit from women's human capital in the process of sustainable development. Overall, the action will contribute with Section 5 'Regional Balance, Rural Development and Empowerment of Vulnerable Populations of the National Plan'. In line with Article 27, the project will support regional and village planning to promote economic development. The project will also contribute to Section 7 'Agriculture' in order to achieve food security and increase food production. In particular, the project will contribute to the qualitative targets related to the sustainable use of land and water: development of new irrigation systems and construction of irrigation and drainage sub-networks and establishing and organizing water supply groups.

The project will also contribute to the implementation of Article 35 (Section 8) by supporting irrigation systems that ensure efficient and sustainable use of the water in order to reduce the pressure in the reservoir and aquifers. Most importantly, the project will directly make improvements towards the implementation of Section 9 (Environment and Natural Resources): *Implement a Plan of Action for protection, restoration, management and wise use of the country's wetlands; with the participation of other executive bodies and local communities; particularly in relation to the wetlands registered by the Ramsar Convention, so that at least 20 percent of critical and at-risk wetlands of the country shall be restored, preserved and stabilized.*

The project is further guided by the identified vulnerabilities and adaptation needs expressed in Iran's Intended Nationally Determined Contribution to United Nations Framework Convention on Climate Change (UNFCCC) and will directly contribute to its achievement, especially as far as efficiency and reducing losses in water yield, where eco-friendly and climate-smart agricultural technologies and practices are concerned. Iran's Revised National Biodiversity Strategies and Action Plan will also be supported, in particular through water resources conservation and for the attainment of key associated national targets. It will support the Department of Environment's implementation of key international agreements, in particular the Convention on Wetlands and the Convention on Biological Diversity. In terms of bilateral Iranian-Afghan cooperation, there are several agreements between the two countries including in the area of transboundary water resources. There have been four agreements on Helmand river (called Hirmand river in Iran), which flows into the Hamoun wetlands. The most recent, entered in 1973, is called "Hirmand (Helmand) Water Treaty" and acknowledges an 820 million cubic meter annual water right for Iran. While there are regular bilateral meetings and negotiations between the two countries on Helmand water basin monitoring, there is currently no existing agreement or cooperation mechanism on the Hamoun wetland ecosystem and its natural habitats.

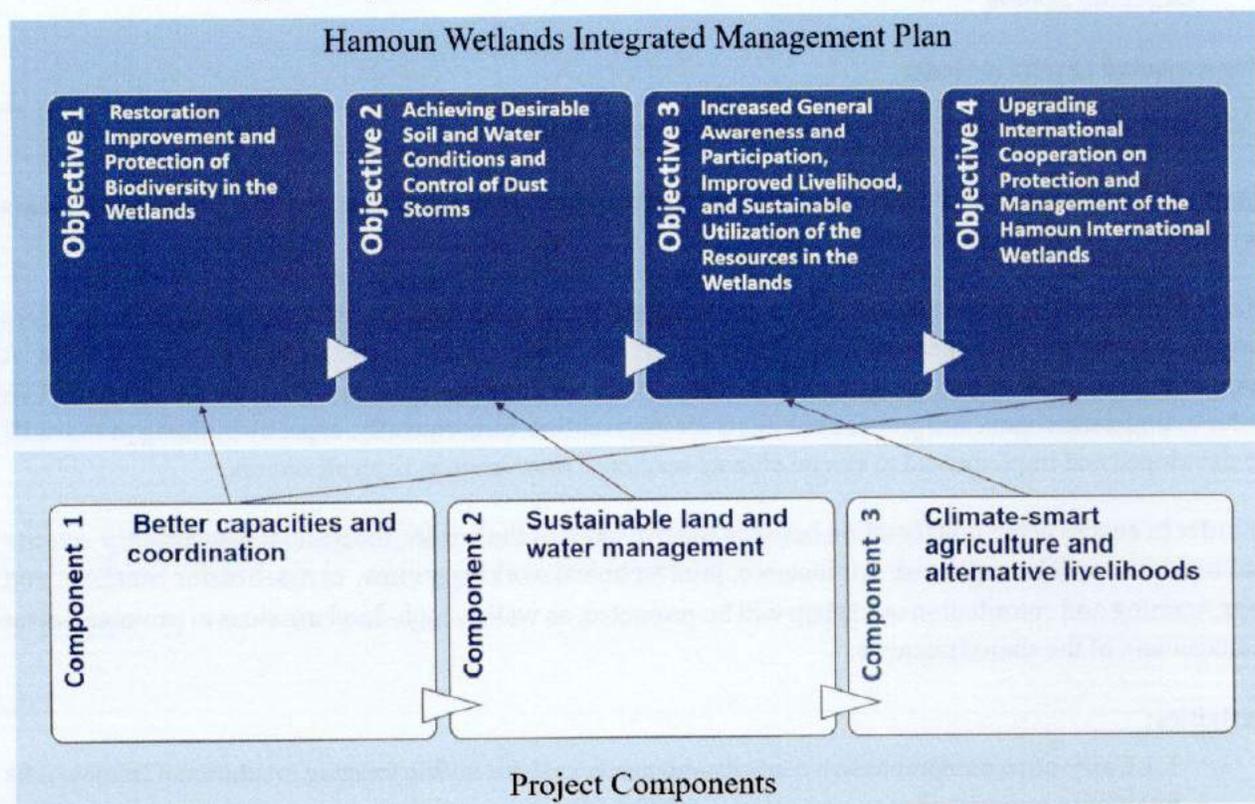
Furthermore, environment and livelihood promotion is a priority under the United Nations Development Assistance Framework (UNDAF, 2017-2021) in Iran and also under the UNDP Country Programme Document. The project will contribute to the achievement of Outcome 1 and 3.

<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 (UNDAF outcomes 1.1 and 1.2).</p>	<p><i>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</i></p> <p><i>Output 1.2: Climate change adaptation and mitigation solutions developed and considered for adoption/implementation by the Islamic Republic of</i></p>
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	<i>Iran</i>
CPD OUTCOME 3: Relevant government agencies formulate, implement and monitor their social welfare, poverty eradication and sustainable employment policies and programmes more effectively (UNDAF Outcomes 3.1 and 3.5)	<i>Output 3.2: Innovative sustainable employment strategies and measures are developed and considered for adoption/implementation by the Islamic Republic of Iran.</i>

Lastly, the project has been designed to contribute to the implementation of the Hamoun Wetlands Integrated Management Plan developed by the Baluchistan and Sistan Region with the support of UNDP. The three components of this project will contribute to the four objectives of the plan, namely:

Figure 6. Objective of the Hamoun Wetlands Integrated Management Plan



The Hamoun Wetlands Integrated Management Plan was a joint effort developed by the local stakeholders and led by the Department of Environment to promote sustainable use of the land and restoration of the wetlands. Additionally, objective three focuses on promoting sustainable agriculture and alternative livelihoods. The three components of this project will contribute directly to the recommendations defined in the four objectives of the plan. In this regard, an integrated approach to the sustainable management of the region, covering the different aspects of restoration and development, will be implemented.

III. RESULTS AND PARTNERSHIPS

The project aims to support the wetland ecosystems restoration, sustainable agriculture and alternative livelihoods in the Sistan Basin. The measure aims to maximize the potential of water as a tool for peace and

stability through transboundary water cooperation and in addressing the water-related consequences of climate change.

The **overall objective** of the project is to promote regional development of the Sistan plain by supporting Hamoun wetlands restoration and sustainable livelihood for the local population. The project aims to remove barriers to Integrated Natural Resources Management (INRM) by developing and strengthening institutional knowledge, capacity and coordination, by demonstrating and up-scaling successful sustainable land and water management practices and alternative livelihoods for the families living in the region.

The project in Iran entails a unique integrated area-based development approach to natural resources management and poverty eradication focused on institutional strengthening for environmental, economic and social development objectives. The project deals with a need for inter-sectoral and cross-border collaboration in the management of land/water resources, dynamic development and risky context across all pilot sites and activities.

Expected results

The expected results include:

Component 1: Better capacities and coordination

Result 1: Capacities, institutional arrangements, and coordination mechanisms among key stakeholders developed in the Hamoun wetlands.

The first result of the project is focused on assessing and developing the capacities on the key stakeholders responsible for the management and restoration of the wetlands at a national and provincial level. A comprehensive capacity and needs analysis within existing institutional frameworks will be carried out in order to understand gaps and propose solutions for intervention. Subsequently, capacity building plans will be developed and implemented to ensure climate resilience interventions from all sectors.

In order to ensure better collaboration between the two sides of the border, local and transboundary events and initiatives will be organised. For instance, joint technical working groups, cross-border markets and fairs, training and consultation workshop will be promoted, as well as high-level missions to promote better management of the shared resource.

Activities:

- 1.1 Carry out a comprehensive capacity and needs analysis within existing institutional frameworks in order to understand gaps and propose solutions for intervention
- 1.2 Develop and implement capacity building plans based on the findings from activity 1.1 to ensure climate resilience interventions
- 1.3 Organize local and transboundary events and initiatives such as joint technical working groups, cross-border markets and fairs, training and consultation workshop.

Component 2: Sustainable land and water management

Result 2: Sustainable land and water management and wetland restoration measures implemented.

In order to ensure the implementation of the Integrated Hamoun Wetlands Management Plan, the project will support the development of a Climate Change Adaptation Action Plan that will provide a detailed list of concrete and prioritised actions agreed by the stakeholders. Subsequently, the project team will work on the implementation of the Action Plan on watershed management, water efficiency, wetland restoration, biodiversity conservation with special focus on climate change adaptation.

The project will engage the local communities in the restoration of the lake, mainly through implementing sustainable agriculture solutions in the pilot farms and also engaging women in alternative livelihood.

In addition, a number of tools for dust storms and drought mitigation measures will be identified and implemented.

Activities:

- 2.1 Develop a Climate Change Adaptation Action Plan for the implementation of the Integrated Hamoun Wetlands Management Plan
- 2.2 Support the implementation of the Action Plan on watershed management, water efficiency, wetland restoration, biodiversity conservation with special focus on climate change adaptation
- 2.3 Identify and implement mitigation measures to address the negative impact of dust storms/drought in the local community.

Component 3: Climate-smart agriculture and alternative livelihoods

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

The activities to be implemented under this result will support inclusive economic development and empowerment to reduce poverty and promote job creation in the Sistan basin, focusing on women and youth.

In this component, the project will provide technical assistance in the development of strategies for local economic development and tourism. The development of these strategies will be based on evidence, after a series of assessments and diagnostics will be carried out with the participation of all stakeholders.

The activities for this component include technical support and capacity building to the Provincial Government in evidence-based planning for local economic development and enhances the participation of women and young people in the planning and implementation process of local economic development strategies.

Moreover, activities will be implemented to create an enabling environment for the private sector, entrepreneurs and cooperatives to operate and boost their profits, improve production and reach new markets. Through this component, the project will provide financial and non-financial support to cooperatives, women and young people in rural areas to develop and up-scale their economic activities.

The implementation of this result will require the use of the Local Economic Development approach. The intervention will start with a participatory assessment to understand the biological carrying capacity of the Hamoun Landscape and identify local level opportunities for sustainable alternative livelihoods. A deep analysis of the existing resources will be carried out. Participation of local communities and stakeholders will allow creating a comprehensive analysis as well as developing their knowledge about the region and opportunities for development.

Subsequently, and based on the findings from the assessment, a participatory Local Economic Development (LED) Plan will be developed. The plan will include the following components:

- Assessment of enabling environment for economic activities: market opportunities, access to knowledge and capital
- Priorities for sustainable alternative livelihoods
- Thematic Action Plans with a list of intervention and pre-identified beneficiaries and partners

Several activities will be carried out to support the implementation of the LED Plan, including a call for proposal for the local organizations and SMEs to propose business plans and projects. The University of Zabol will be involved and proposals from young people encouraged. Some of the key activities are as follows:

1. Capacity building to local organisations to develop proposals of business plans and projects
2. Call for proposals and selection of initiatives from local organisations using a competitive process
3. Support implementation of selected initiatives
4. Mentoring and capacity building of the selected groups to implement the action and access to markets.
5. Support SMEs that are providing services to the selected local initiatives, including offering services for tourism and adding value to local production.

Additionally, climate-smart agriculture intervention with special focus on sustainable water management will be implemented, including a mutual understanding with the Agriculture Jihad Organisation to promote coordination among different funds in the support to the local farmers. Afterwards, a project team will support the development and implementation of action plans with the local community on the type of intervention in each village and farm. Frequent monitoring of water efficiency and contribution to the wetland water requirement will be conducted.

Activities:

- 3.1 Assess the biological carrying capacity of the Hamoun Landscape and identify local level opportunities for sustainable alternative livelihoods in a participatory manner
- 3.2 Develop a participatory Local Economic Development Plan
- 3.3 Support the implementation of the thematic action plan including a call for project proposals for local organizations and SMEs to propose business plans and projects on job generation in the region.
- 3.4 Joint action with UN agencies to ensure integral development of skills and entrepreneurship in the Hamoun wetland
- 3.5 Support climate-smart agriculture interventions with special focus on sustainable water management

Partnerships

The project will be implemented in partnership and direct collaboration with the Department of Environment (DoE).

Additionally, coordination and collaboration will be promoted between the project and public, private and social institutions at different levels. The project will also promote and allow the joint work of UN agencies to ensure coordinated and integral support to the Sistan and Baluchestan Province. This coordination will permit integral interventions that will cover different aspects of the development process.

In order to support the development of new businesses and the implementation of innovative technology for efficient water use in agriculture, the project will develop a close partnership with the University of Zabol. This coordination will also facilitate boosting the participation of young people in the project.

In addition, the project will also benefit from the achievements, lessons learnt and the best practices of the UNDP/GEF-SGP in the Islamic Republic of Iran, which has adopted integrated and participatory ecosystem management approaches with successful participation of local stakeholders with sustainable results, and has explored ways to integrate cross-cutting issues of Land Degradation, Climate Change and Biodiversity

Conservation. Field visits to selected GEF-SGP sites can be conducted during the implementation phase of the project.

Stakeholder engagement

The primary target rights-holders are farmers and other residents of the villages and communities of the Hamoun wetland landscape. Final rights-holders include 8,650 residents of afflicted areas benefitting from drought mitigating measures, 60 pilot villages where 3,000 farmers benefit from sustainable agriculture practices and 300 women who will benefit from alternative livelihood initiatives. The targeted wetland areas have a population of more than 400,000 who will benefit from increased water inflow to the lakes and restored natural habitats.

The project will also build the capacities of the public institutions and support them with resources and specialized staff to promote the sustainable management of the wetlands.

National level: Key government stakeholders for the activities include the Department of Environment of Iran and the Forest, Range and Watershed Management Organization (FRWO) – a subsidiary of the Ministry of Agriculture – both of which have the mandate, technical capacity, and nation-wide scope to carry out activities on sustainable agriculture, wetlands restoration and integrated natural resources management. The Department of Environment has been implementing significant measures as part of the Conservation of Iranian Wetlands Project. FRWO has conducted community-based and participatory approaches and capacity building at the local level, for example, as part of the Institutional Strengthening and Coherence for Integrated Natural Resource Management (MENARID) project.

The Ministry of Foreign Affairs will also be a key counterpart for activities related to regional and bilateral dialogue.

Activities also aim to strengthen bilateral cooperation between Iran and Afghanistan and concerned stakeholders on the Afghan side include the Ministry of Energy and Water, the National Environmental Protection Agency, the Ministry of Rural Rehabilitation and Development, and the Ministry of Agriculture, Irrigation and Livestock. Afghan local authorities and communities within the neighboring provinces of Nimruz and Farah may also be involved in the proposed project subject to the degree of involvement of Afghan national authorities.

Provincial level: The Soil and Water Development Company of Sistan is the key counterpart in the planning and management of joint water resources in the Sistan region, whilst the Ministry of Energy and its associated regional water authorities contribute to water management in the region. The Office of the Governor-General affiliated to the Ministry of Interior has a key leading role in multi-sectoral coordination and supervision in the province.

Other stakeholders engaged throughout the project include Iran's Cultural Heritage, Handicraft and Tourism Organization (ICHHTO) which will support the development and promotion of sustainable alternative livelihoods such as ecotourism and handicraft production. The Organization for Nomadic Affairs will contribute to the provision of services for the nomadic population in the selected areas.

Additionally, the activities will ensure engagement of universities and research centres, including the Hamoun International Wetland Research Institute and the University of Zabol. The project will also seek to engage urban and rural councils, existing local cooperatives, NGOs and the media, who will engage the public for the protection and revival of the wetlands. The project will also benefit and work with the locally active cooperatives and other potentially affected groups.

The main actor and beneficiary of the project is the national working group on wetlands and the Hamoun working group. All three components of the project are targeting the Hamoun working group and the institutions of which it is constituted.

South-South and Triangular Cooperation (SSC/TrC)

Under Component 1, the project will promote south-south collaboration and coordination between Iran and Afghanistan in order to promote sustainable use of the shared resource in the wetlands. During the project implementation, cross border collaboration meetings and exchanges will be promoted to strengthen the dialogue between the two countries.

Additionally, several exchanges for learning on best practices for cross border collaborations will be promoted. UNDP will identify, in collaboration with the government of Iran, suitable examples from other countries to promote exchanges about shared resource management.

Knowledge

During the project implementation, a number of knowledge products will be developed. A best practice document will be created before the end of the project with the aim of providing useful guidance for scaling up the approach in other regions of Iran. In addition, a number of press releases, media products, posters, banners and videos will be developed during the implementation of the project.

Sustainability and scaling up

A major intention of this project phase is to institutionalise responsibility for Sistan plain development and Hamoun wetlands restoration in different organisations to improve their coordination. Public and private authorities need to understand that regional development and the maintenance of resilient ecosystems does not lie in the hands of a specific project alone but depends on the efforts and collaboration of all. This is why the management plan shall be integrated into different government bodies' work schemes and will exceed the project's scope and duration.

All the project activities have a core of sustainability and will be further developed with the focus on their long-term positive impact. New sustainable income models for rural habitants and community-run or co-managed reserves will be guided and strengthened throughout the project to become self-sustaining. In the future, the lessons learned from these pilot models can be utilised in the design of financially sustainable Protected Areas and similar deprived areas across Iran.

However, to finally ensure the efficient and coordinated continuation of conservation efforts which is absolutely needed in the future, an exit-plan and an up-scaling roadmap will be developed jointly with relevant DoE and governor offices from early stages of project implementation. This roadmap shall lead to a long-term national plan for regional development of the Sistan plain and restoration of the Hamoun wetlands which is linked to the national development plan and in the framework of national plans with allocated budget. The national plan shall build on the lessons learnt through the project and on the increased engagement of other stakeholders.

IV. PROJECT MANAGEMENT

The project will be implemented under the National Implementation Modality (NIM) with partial UNDP Direct Country Office Support Services as in project document, given the compliance of the implementing partner as a result of the HACT Micro Assessment carried out by UNDP.

Project funds 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, also in full observance of the General Conditions,

Special Conditions and the Communications and Visibility Plan of EU as per the agreement "MIDEAST/2019/411-077" during the project implementation.

The original supporting documents (contracts, invoices, etc.) will be appropriately kept at the Central 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, the Department of Environment - which is represented by the National Project Director – 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 (Project Steering Committee) will oversee project implementation and ensure that quality Outputs are produced towards intended Component and Outcomes (please refer to Section VIII for project governance structure).

A National Project Manager (NPM) will be recruited through a transparent, competitive recruitment process, overseen by the NPD and UNDP, and will assume the responsibilities delegated under the ToR in Annex 5. The NPM, along with a project team to be established and composed of the following experts: at least two Technical; one Administrative; one Finance & Procurement; one Monitoring & Evaluation and one Communications (all of which will be paid from the project budget), who will assist the NPD to oversee project implementation. The NPM and project team will be positioned at the central Project Office within DoE in Tehran, as part of the in-kind contribution of DoE to the project in the form of provision of office space and utilities.

UNDP shall also continue to provide technical and support services to the project.

Cost Efficiency and Effectiveness

The choice and design of strategies for this project is built on over several years of experience of similar projects in Iran. The efficiency of activities planned or started in such projects have been critically re-evaluated to ensure that the project conforms with the urgency to optimize project effectiveness.

The dispersion of tasks and costs through partnerships and increased multi-stakeholder collaboration will help to increase the amount of achievements in the given time. The project also aims to extend the efficacy of its efforts to benefit community and human development. In particular, the project will target women and vulnerable groups for empowerment, thus ensuring that these groups participate as equal partners in information sharing and generation, education and training, organizational development, financial assistance, and local policy development.

The ratification and regular monitoring of each activity and the project as a whole will ensure that they remain in line towards the project goal and that the allocated resources are used efficiently.

UNDP Direct Country Office Support Services

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

As the implementing partner, DoE will, from time to time, request UNDP to provide direct 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 7).

UNDP Cost Recovery Policy

General Management Service (GMS) fees and Direct Project Costs (DPC) will be charged to the funds provided by EU as per the concerned rules and procedures of UNDP's cost recovery policy. Based on this policy, the project will be charged 7% GMS for the EU contributions. As per UNDP's cost recovery policy, DPC will also be charged based on the estimated and costed UNDP CO staff time required for this 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 operational support services required to be provided by UNDP (constituting UNDP Direct Country Office Support Services) and is calculated on the entire project budget including EU and UNDP allocated funds.

Audit

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

V. RESULTS FRAMEWORK

Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework:

Outcome indicators as stated in the Country Programme [or Global/Regional] Results and Resources Framework, including baseline and targets:

Applicable Output(s) from the UNDP Strategic Plan:

Project title and Atlas Project Number:

EXPECTED OUTPUTS	OUTPUT INDICATORS ¹⁹	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)					DATA COLLECTION METHODS & RISKS	
			Value	Year	Year 1	Year 2	Year 3	Year 4	Year 5		FINAL
Output 1 Capacities, institutional arrangements, and coordination mechanisms among key stakeholders developed in the Hamoun wetlands	1.1 # comprehensive capacity and needs assessment documents	0		1					1	Assessments approved	0
	1.2 # of capacity building plans developed and implemented	0	2019	1	1				3	Plans approved	0
	1.3 # of local and provincial arrangements and coordination mechanisms enhanced (the multi-sectoral working group for wetland restoration)	1	2019	1	1	1	1	1	1 ²⁰	Training/project reports	1

²⁰ Only one, the multi-sectoral working group for wetland restoration will be supported every year with specific activities. Therefore, the final target is 1.

		0	2019	1 new	1 new enhanced	2 enhanced	2 enhanced	2 enhanced	2 ²¹	Trainin g/proje ct reports	0
1.4	# of bilateral technical working groups at the senior expert level established or enhanced (one on livelihoods and one on land and water management)	0		1	1	2	2	2	9	Trainin g/proje ct reports	0
1.4	# of bilateral consultation workshops and field visits for senior experts and local authorities conducted	0		1	2	2	2	2	9	Trainin g/proje ct reports	0
1.5	# of transboundary events and initiatives	1	2019	1	1	1	1	1	5	Project reports	1
2.1	# of climate change adaptation action plans developed	0	2019	1	1				1	Project reports	2.1 # of climate change adaptation action plans developed
2.2	# of interventions supported by the Action Plan	0		4	4	3	3	3	13	Evaluat ion report/ Project reports	2.2 # of interventions supported by the Action Plan
2.3	# number of grants/loans provided								5,0000	Evaluat ion report/ Project reports	2.3 # number of grants/loans provided

Tw bilateral technical working groups will be established or enhanced. One will be established in year 1 and enhanced over the next years. The second one will be created on year 2 and enhanced during the next three years.

Output 3 Strategy and plan of action for sustainable and climate-smart agriculture and alternative livelihoods developed and priority actions implemented	3.1 # of participatory thematic Action Plans to promote alternative livelihoods developed (tourism, agriculture and SMEs)	Planned	1	2	2019	2019	3	Planned	3.1 # of participatory thematic Action Plans to promote alternative livelihoods developed (tourism, agriculture and SMEs)
3.1 # of participatory thematic Action Plans to promote alternative livelihoods developed (tourism, agriculture and SMEs)	3	Planned	1	2	2019	2019	3	Planned	3.1 # of participatory thematic Action Plans to promote alternative livelihoods developed (tourism, agriculture and SMEs)
3.2 # of sustainable alternative livelihoods initiatives implemented in pilot villages	22	Project reports	5	-	2019	2019	22	Project reports	3.2 # of sustainable alternative livelihoods initiatives implemented in pilot villages
3.3 % of water use efficiency in pilot farms	45%	Evaluation report/ Project reports / Interviews report	35%	-	2019	2019	45%	Evaluation report/ Project reports / Interviews report	3.3 % of water use efficiency in pilot farms
3.4 # of farmers who apply sustainable agriculture practices in their farms (disaggregated by sex)	1200 farmers in 120 villages	Evaluation report/ Project reports / Interviews report	10 farmer X 30 villages	-	2019	2019	1200 farmers in 120 villages	Evaluation report/ Project reports / Interviews report	3.4 # of farmers who apply sustainable agriculture practices in their farms (disaggregated by sex)

<p>3.5 # women's cooperatives enhanced or established</p>	<p>TBD</p>	<p>2019</p>	<p>5</p>	<p>5</p>	<p>10</p>	<p>3.5 # women's cooperatives enhanced or established</p>
<p>3.6 # of households that increased their income as a result of the project support (disaggregated by sex)</p> <ul style="list-style-type: none"> • Support by the initiatives: 22*15*5=1650 (50% women) • Supported by the women's cooperatives: 10*20*5=1000 <p>Supported with climate-smart infrastructure: Farmers:1200*5=6000 (50% women)</p>	<p>0</p>	<p>2019</p>			<p>8,650 households (55% women)</p> <p>- Support by the initiatives: 1650 (50% women)</p> <p>- Supported by the women's cooperatives: 1000</p> <p>- Supported with climate-smart infrastructure: 6000 (50% women)</p>	<p>3.6 # of households that increased their income as a result of the project support (disaggregated by sex)</p> <ul style="list-style-type: none"> • Support by the initiatives: 22*15*5=1650 (50% women) • Supported by the women's cooperatives: 10*20*5=1000 <p>Supported with climate-smart infrastructure: Farmers:1200*5=6000 (50% women)</p>
<p>3.5 # women's cooperatives enhanced or established</p>						<p>3.5 # women's cooperatives enhanced or established</p>
<p>3.6 # of households that increased their income as a result of the project support (disaggregated by sex)</p> <ul style="list-style-type: none"> • Support by the initiatives: 22*15*5=1650 (50% women) • Supported by the women's cooperatives: 10*20*5=1000 <p>Supported with climate-smart infrastructure: Farmers:1200*5=6000 (50% women)</p>						<p>3.6 # of households that increased their income as a result of the project support (disaggregated by sex)</p> <ul style="list-style-type: none"> • Support by the initiatives: 22*15*5=1650 (50% women) • Supported by the women's cooperatives: 10*20*5=1000 <p>Supported with climate-smart infrastructure: Farmers:1200*5=6000 (50% women)</p>

VI. MONITORING AND EVALUATION

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

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action
Track results progress	Progress data against the results indicators in the RRF will be collected and analyzed to assess the progress of the project in achieving the agreed outputs.	Quarterly	Slower than expected progress will be addressed by project management.
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	3 in total, one per component.	Relevant lessons are captured by the project team and used to inform management decisions.
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform DoE decisions to improve project performance.
Project Report	A status 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, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)	Capture the progress towards the achievement of the objectives

<p>Project Review (Project board)</p>	<p>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.</p>	<p>Every six months</p>	<p>Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.</p>
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Evaluation Plan

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date
Mid-term	EU - DoE	1-3	CPD outcome 1 and 3. UNDAF outcome 1 and 3.	Dec 2022
Final evaluation	EU - DoE	1-3	CPD outcome 1 and 3. UNDAF outcome 1 and 3.	Dec 2024

VII. MULTI-YEAR WORK PLAN

Project intended outputs	Activities	INPUT	Funding Source	Year 1 (USD)	Year 2 (USD)	Year 3 (USD)	Year 4 (USD)	Year 5 (USD)	Total	
Output 1: Capacities, institutional arrangements and coordination mechanisms among key stakeholders developed in the Hamoun wetlands Gender Marker: 2	1.1 Carry out a comprehensive capacity and needs analysis within existing institutional frameworks in order to understand gaps and propose solutions for intervention	Consultant services to carry out a comprehensive capacity and needs analysis	EU	80,000.00					80,000.00	
		Travels from Tehran to Hamoun for staff (tickets included)	EU	6,066.00					6,066.00	
	1.2 Develop and implement capacity building plans based on the finding from activity 1.1 to ensure climate resilience interventions	Capacity building and specialized training to implement action plans	EU	50,000.00	77,500.00	69,400.00	77,500.00	77,500.00	77,500.00	351,900.00
		Transportation to the communities and Vehicle-Related	EU	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	15,000.00
		Cost for workshops to provide capacity building (6 per year)	EU	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	150,000.00
		Cost for workshops and field visits from Afghanistan (1 per year)	EU	35,000.00	35,000.00	35,000.00	35,000.00	35,000.00	35,000.00	175,000.00
	1.3 Organize local and transboundary events and initiatives such as joint technical working groups, cross-border markets and fairs, training and consultation workshop	Travels from Tehran to Hamoun for staff (tickets included)	EU	5,600.00	7,000.00	5,000.00	5,400.00	5,400.00	5,000.00	28,000.00
		Cost for cross-border market implementation	EU	5,000.00	10,000.00	10,000.00				25,000.00
	Subtotal of output 1 *			214,666.00	162,500.00	152,400.00	150,900.00	150,900.00	150,500.00	830,966.00
	Output 2: Sustainable land and water management and wetland	2.1 Develop a Climate Change Adaptation Action Plan for the implementation of the Integrated Hamoun Wetlands Management Plan	Consultant services (1 for development and 1 for monitoring and update of Action Plan)	EU	25,000.00		25,000.00			50,000.00
Workshops (2 x 2 years)			EU	30,000.00		30,000.00			60,000.00	

Restoration measures implemented

Gender Marker: 2

2.2 Support the implementation of the Action Plan on watershed management, water efficiency, wetland restoration, biodiversity conservation with special focus on climate change adaptation	Transportation to the communities	EU	10,000.00			10,000.00				20,000.00
	Travels from Tehran to Hamoun for staff (tickets included)	EU	3,000.00	4,500.00		5,000.00	5,000.00		5,000.00	22,500.00
	Consultant services for implementation of the Action Plan (5 x 5 years)	EU	35,000.00	85,000.00		85,000.00	85,000.00		85,000.00	375,000.00
	Workshops and training costs	EU	10,000.00	10,000.00		10,000.00	10,000.00		10,000.00	50,000.00
	Community-based small-scale water management interventions (grants to NGOs or small private companies)	EU	-	300,000.00		500,000.00	500,000.00		500,000.00	1,300,000.00
	Transportation to the communities	EU	10,000.00	15,000.00		15,000.00	10,000.00		10,000.00	50,000.00
	Consultant services to identify interventions and beneficiaries	EU	40,000.00	-		-	-		-	40,000.00
	Small scale grants for implementation of the selected actions with local organizations	EU	-	300,000.00		450,000.00	-		-	750,000.00
	Consultant services to evaluate the results of the new solutions and development of best practice document	EU	-	-		35,000.00	-		-	35,000.00
	Travels from Tehran to Hamoun (tickets and DSA)	EU	5,000.00	3,000.00		3,000.00	4,000.00		4,000.00	15,000.00
2.3 Identify and implement mitigation measures to address the negative impact of dust storms/drought in the local community	Workshops and training costs	EU	20,000.00	20,000.00		20,000.00	20,000.00		20,000.00	100,000.00
	Transportation to the communities	EU	8,000.00	8,000.00		8,000.00	8,000.00		8,000.00	40,000.00
	Subtotal of output 2 *		196,000.00	745,500.00		1,196,000.00	642,000.00		128,000.00	2,907,500.00
	Consultant services for the participatory assessment (1 time)	EU	40,000.00							40,000.00
3.1 Assess the biological carrying capacity of the Hamoun Landscape and identify local level opportunities for sustainable alternative livelihoods in a participatory manner	Transportation to the communities	EU	10,000.00			10,000.00				20,000.00

and climate-smart agriculture and alternative livelihoods developed and priority actions implemented	Gender Marker: 2	Consultant services for the development of the Local Economic Development Plan	EU	40,500.00							40,500.00
3.2 Develop a participatory Local Economic Development Plan	EU	Transportation to the communities	EU	20,000.00							20,000.00
	EU	Workshops and training costs	EU	20,000.00							20,000.00
	EU	Consultant services for mid-term review of the outcome and development of lessons learned	EU		30,000.00						30,000.00
	EU	Consultant services (1 team leader, 2 specialists on marketing, 2 on business development and 2 on technologies for better production	EU	44,800.00	67,200.00	67,200.00	67,200.00	67,200.00	67,200.00	67,200.00	313,600.00
	EU	Trainings costs	EU		129,000.00	133,000.00	92,000.00	449,000.00			449,000.00
	EU	Grants for selected projects	EU	500,000.00	700,000.00	504,000.00	1,704,000.00				1,704,000.00
	EU	Transportation to the communities	EU	2,000.00	15,000.00	17,000.00	10,000.00	54,000.00			54,000.00
	EU	Workshops costs	EU		20,000.00	20,000.00	20,000.00	80,000.00			80,000.00
	EU	Consultant services to conduct assessment on women's empowerment	EU	25,000.00				25,000.00			25,000.00
	EU	Seed fund for women's cooperatives to support livelihoods initiatives	EU		38,000.00	53,000.00	25,223.26	169,223.26			169,223.26
3.4 Joint action with UN agencies to ensure integral development of skills and entrepreneurship in the Hamoun wetland	UNDP	Training and skills development courses in coordination with other UN agencies working in the same province.	UNDP								97,000.00
3.5 Support climate-smart agriculture intervention with special focus on efficient water management	EU	Consultant services for the development the Action Plan on climate-smart agriculture	EU	35,000.00							35,000.00
	EU	Procurement of materials for the construction of 5 green houses	EU		102,000.00	68,000.00		170,000.00			170,000.00

	EU											
Development of 3 videos	EU											17,000.00
Design, edition and printing of 4 Action Plan documents	EU											21,000.00
Other visibility materials (banners, folders, brochures, stickers, etc.)	EU											21,000.00
		2,000.00	4,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	21,000.00
Sub total of output 4 **		396,850.90	344,200.90	356,200.90	356,200.90	365,200.90	370,200.90	370,200.90	370,200.90	370,200.90	370,200.90	1,832,654.49
Total Programme Costs		1,044,816.90	2,850,400.90	3,346,800.90	3,346,800.90	2,374,296.40	863,124.16	863,124.16	863,124.16	863,124.16	863,124.16	10,479,439.25
Remuneration (7%) **		72,481.80	197,608.64	232,001.17	232,001.17	164,592.34	59,876.80	59,876.80	59,876.80	59,876.80	59,876.80	726,560.75
GRAND TOTAL		1,117,298.70	3,048,009.53	3,578,802.06	3,578,802.06	2,538,888.74	923,000.96	923,000.96	923,000.96	923,000.96	923,000.96	11,206,000.00

Notes: * For the purpose of interpreting clause 11.3 of the General Conditions, the budget heading is understood as 'subtotal of output 1, 2, 3 and 4.'

** 7% Remuneration is charged only against EU contribution

Summary:	Euro	USD (Nov 2019 InforEuro RoE)
EU Contribution as per Art. 3.1 of the Special Conditions	10,000,000.00	11,106,000
UNDP TRAC		100,000.00
Total Project Budget		11,206,000
Programmable (EU contribution)		10,379,439.25
Remuneration (7%)		726,560.75

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

Institutional Management Arrangements

The project will be implemented in accordance with UNDP's National Implementation Modality (NIM) whereby the Department of Environment (DoE) is the designated National Implementing Partner under the UNDP Country Office support to the government. This modality encompasses the direct payment by UNDP for goods and services (including personal) procured by the implementing partner.

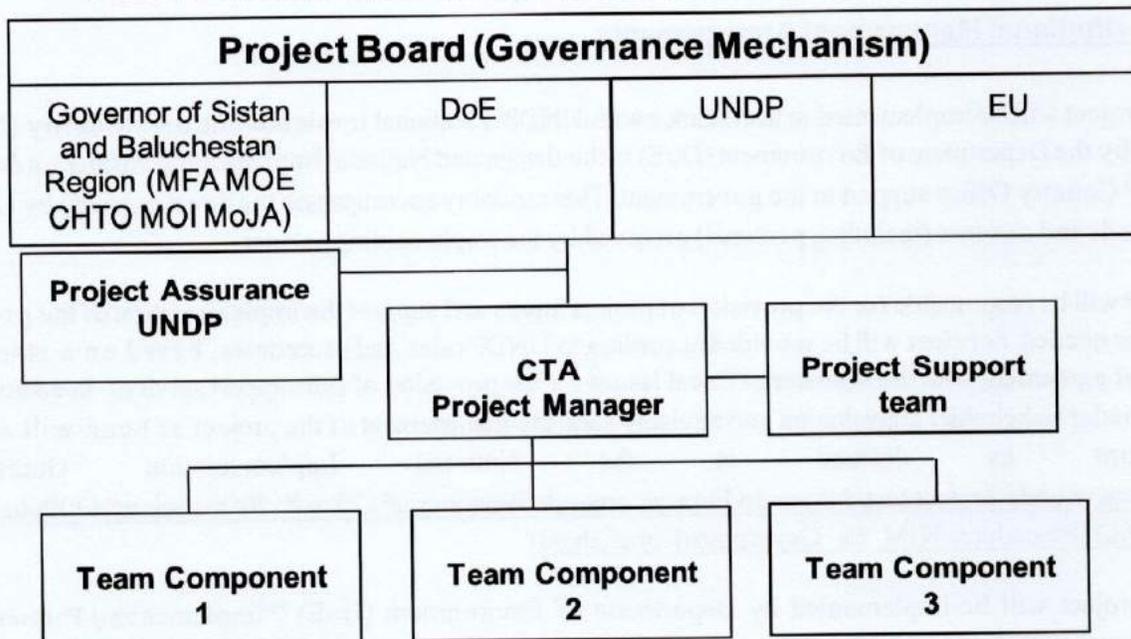
UNDP will be responsible for the provision of project inputs and support the implementation of the project when is needed. Services will be provided according to UNDP rules and procedures, based on a standard letter of agreement with the Minister of Local Issues for the provision of full support services. In addition to the broader stakeholder consultation and advisory fora, the management of the project at hand will entail functions as defined in the National Implementation Guidelines http://www.undp.org/content/dam/undp/library/corporate/Programme%20and%20Operations%20Policies%20and%20Procedures/NIM_for_Government_english.pdf

This project will be implemented by Department of Environment (DoE) ("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 the best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

The envisaged procurement of goods, necessary for ensuring an operational PMT along with the implementation, will be carried out following UNDP rules and procedures. Unless otherwise determined by the PB, upon completion of the Project, the DoE will take over the ownership of the project assets (including project vehicles). The project team and DoE will ensure that target groups will be engaged in decision making for the project, to ensure their voice and participation.

Governance of the project is undertaken through the Project Board which convenes minimum once a year. The Project Board is the group responsible for making by consensus, management decisions for a project when guidance is required by the CTA and the Project Manager, including the recommendation for approval of project plans and revisions. In order to ensure accountability, Project Board decisions should be made following standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition. The composition of the Project Board is indicated in the diagram below.

Project Organization Structure



Project Office Costs

This section outlines the project management costs described in ANNEX III of the Contribution Agreement which forms part of the Project Office Costs, as determined in the Art. 7 of the special conditions. They cover the costs of the recruitment of full-time personnel necessary for the project implementation as well as part-time personnel from UNDP Country Office who are directly assigned to the operations of the project office.

4.2 Project management arrangements ensure on-time delivery of project activities and timely financial and narrative reporting	Chief Technical Advisor CTA (Full time)	The CTA, supported by the Project Manager, will oversee the effective, transparent and accountable implementation of the project, including strategy setting, planning, activity design, financial and personnel management. He/She will develop policy documents to support the project implementation and local development and will identify needs for additional technical support. Co-ordination of project implementation, work planning and reviews.
	Project Manager (Full time)	Under the leadership of the CTA, the Project Manager will work full time for the project to ensure results are achieved. Main responsibilities will be to guide and coordinates the daily work of the Project team; plans the activities of the project and monitors progress against the approved work-plan; mobilizes personnel, goods and services, training and micro-capital grants to initiative activities, including drafting terms of reference and work specifications and overseeing all contractors' work; among others.
	M&E specialist (Full time)	The M&E specialist will prepare the quarterly, annual and other periodical reports for the EU, UNDP and DoE. He/she will also support building the capacity of other stakeholders on M&E and related work.
	2 Programme and Admin (Full time) (1 in the region and one at a national level)	The Programme and administrative will support the project administrative implementation ensuring efficiency and transparency. One of them will be seated in the project provincial's office and the second one at the national office in the DoE
	Finance and procurement assistant (Full time)	The finance procurement assistant will support the team in all procurement and finance-related tasks. The person will be seated at national level with frequent travels to the region. He/she will also be responsible for financial reports and ensuring compliance with the project's budget.
	2 National technical specialists (Full time)	The national technical specialists will work with the Project Manager to ensure full implementation of the project. They will support the team in the regional office with technical information regarding climate-resilient agriculture, alternative livelihoods and wetlands protection and restoration. They will support the drafting of reports and procurement processes when needed.
	Coordinator in the regional office (Full time)	The Coordinator of the Regional Office will be seated in Sistan and Baluchestan province and will coordinate all activities described in the project work plan in coordination with the national office, the governmental stakeholders and UNDP.
	4 Experts in the regional office (1 per project component and 1 for climate-smart agriculture) (Full time)	The fours experts working in the regional office will be responsible for the implementation of the three project's components. They will develop internal work plans, prepare TORs for recruitment of consultants and support M&E.
	Communication officer in the region (Full time)	The communication officer will implement the visibility and communication plan (annex VI). He/she will develop press releases, picture's portfolio, brochures, and other communication materials to

		ensure engagement of the stakeholders at local, national and international level. This person will also lead to the development of videos and best practice documents.
Programme Support based in Iran	Assistant Resident Representative (Programme) (10%):	He/she will be responsible for overall supervision of the project processes to ensure the quality of results and its integration with the entire UNDP programme, potential links creating synergies with other UN agencies initiatives, alignment with the SDGs, UNDP strategic plan, UNDAF and CPD
	Programme Analyst (16%):	His/her prime responsibility will be to ensure that the project produces the results specified in the Project document, to the required standard of quality and within the specified constraints of time and cost.
	Programme Associate (26%)	He/she will be responsible for ensuring monitoring practices are conducted on a timely basis, setting up of the project in Atlas, generating financial reports, contribution to spot-checks.
	Assistant Resident Representative Operations) (0.8 %)	He/she will oversee the general operations of the project, ensuring compliance with UNDP rules and regulations,
	Head of Finance (4%)	He will review and approve project payments against contracts and invoices.
	Finance Associate (3.8%)	He/she will calculate the Daily Subsistence allowance for the mission of project staff.
	Finance Clerk (13%)	He/she will be responsible for submitting the requests for payments, vouchers etc.
	Head of Procurement (1%)	He/she will be responsible for procuring required procurement of goods and services as provisioned in the project work plan
	Procurement Associate (1.2%)	He/she will support the head of procurement of goods and services
	Programme Support Unit (10%)	He/she will oversee project budget management, monitoring and evaluation processes, quality assurance assessments and other corporate requirements.
	Procurement/Travel (3.7%)	He/she will be responsible for purchasing tickets and arranging accommodations and other travel requirements
	General Operating Expenses	<ul style="list-style-type: none"> • Office Rent • Utility (Electricity & Water etc) Charges • ICT expenses • Security Costs

IX. LEGAL CONTEXT

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

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

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

Standard Text: Supplemental Provisions to the Project Document:

The Legal Context

General Responsibilities of the Government, UNDP and the Implementing Partner

1. The Government, assuming its overall responsibility, shall designate the Government Co-operating Agency named in the cover page of this document (hereinafter referred to as the "Co-operating Agency") which shall be directly responsible for the implementation of the Government contribution to the project.
2. The Project Document, and the term as used in this Annex, includes the Country 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'²² and 'Implementing Partner'²³ 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.
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.

²² 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.

²³ 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.

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 Manager²⁴ 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 or the accomplishment of its purposes.

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

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

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

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

X. RISK MANAGEMENT

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

the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.

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

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

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

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

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

XI. ANNEXES

- 1. Project Quality Assurance Report**
- 2. Social and Environmental Screening**
- 3. Risk Analysis**
- 4. Capacity Assessment**
- 5. Project Board Terms of Reference and TORs of key management positions**

Annex 1: Project Quality Assurance Report

PROJECT QA ASSESSMENT: DESIGN AND APPRAISAL

OVERALL PROJECT

EXEMPLARY (5) ●●●●●	HIGHLY SATISFACTORY (4) ●●●●○	SATISFACTORY (3) ●●●○○	NEEDS IMPROVEMENT (2) ●●○○○	INADEQUATE (1) ●○○○○
At least four criteria are rated Exemplary, and all criteria are rated High or Exemplary.	All criteria are rated Satisfactory or higher, and at least four criteria are rated High or Exemplary.	At least six criteria are rated Satisfactory or higher, and only one may be rated Needs Improvement. The SES criterion must be rated Satisfactory or above.	At least three criteria are rated Satisfactory or higher, and only four criteria may be rated Needs Improvement.	One or more criteria are rated Inadequate, or five or more criteria are rated Needs Improvement.

DECISION

- **APPROVE** – the project is of sufficient quality to continue as planned. Any management actions must be addressed in a timely manner.
- **APPROVE WITH QUALIFICATIONS** – the project has issues that must be addressed before the project document can be approved. Any management actions must be addressed in a timely manner.
- **DISAPPROVE** – the project has significant issues that should prevent the project from being approved as drafted.

RATING CRITERIA

For all questions, select the option that best reflects the project

STRATEGIC

	3	2	1
<p>1. Does the project specify how it will contribute to higher level change through linkage to the programme's Theory of Change?</p> <ul style="list-style-type: none"> • 3: The project is clearly linked to the programme's theory of change. It has an explicit change pathway that explains how the project will contribute to outcome level change and why the project's strategy will likely lead to this change. This analysis is backed by credible evidence of what works effectively in this context and includes assumptions and risks. • 2: The project is clearly linked to the programme's theory of change. It has a change pathway that explains how the project will contribute to outcome-level change and why the project strategy will likely lead to this change. • 1: The project document may describe in generic terms how the project will contribute to development results, without an explicit link to the programme's theory of change. <p><i>*Note: Projects not contributing to a programme must have a project-specific Theory of Change. See alternative question under the lightbulb for these cases.</i></p>	3	2	1
<p>2. Is the project aligned with the UNDP Strategic Plan?</p> <ul style="list-style-type: none"> • 3: The project responds to at least one of the development settings as specified in the Strategic Plan¹ and adapts at least one Signature Solution². The project's RRF includes all the relevant SP output indicators. <i>(all must be true)</i> • 2: The project responds to at least one of the development settings as specified in the Strategic Plan¹. The project's RRF includes at least one SP output indicator, if relevant. <i>(both must be true)</i> • 1: The project responds to a partner's identified need, but this need falls outside of the UNDP Strategic Plan. Also select this option if none of the relevant SP indicators are included in the RRF. 	3	2	1

¹ The three development settings in UNDP's 2018-2021 Strategic Plan are: a) Eradicate poverty in all its forms and dimensions; b) Accelerate structural transformations for sustainable development; and c) Build resilience to shocks and crises

² The six Signature Solutions of UNDP's 2018-2021 Strategic Plan are: a) Keeping people out of poverty; b) Strengthen effective, inclusive and accountable governance; c) Enhance national prevention and recovery capacities for resilient societies; d) Promote nature based solutions for a sustainable planet; e) Close the energy gap; and f) Strengthen gender equality and the empowerment of women and girls.

3. Is the project linked to the programme outputs? (i.e., UNDAF Results Group Workplan/CPD, RPD or Strategic Plan IRRF for global projects/strategic interventions not part of a programme)	Yes		
RELEVANT			
4. Does the project target groups left furthest behind? <ul style="list-style-type: none"> • 3: The target groups are clearly specified, prioritising discriminated, and marginalized groups left furthest behind, identified through a rigorous process based on evidence. • 2: The target groups are clearly specified, prioritizing groups left furthest behind. • 1: The target groups are not clearly specified. <p><i>*Note: Management Action must be taken for a score of 1. Projects that build institutional capacity should still identify targeted groups to justify support</i></p>	3	2	1
<i>The project will work with local communities around Hamoun wetland and Sistan area which is on of the poorest area in the country and necessarily the furthest behind.</i>			
5. Have knowledge, good practices, and past lessons learned of UNDP and others informed the project design? <ul style="list-style-type: none"> • 3: Knowledge and lessons learned backed by credible evidence from sources such as evaluation, corporate policies/strategies, and/or monitoring have been explicitly used, with appropriate referencing, to justify the approach used by the project. • 2: The project design mentions knowledge and lessons learned backed by evidence/sources, but have not been used to justify the approach selected. • 1: There is little or no mention of knowledge and lessons learned informing the project design. Any references made are anecdotal and not backed by evidence. <p><i>*Note: Management Action or strong management justification must be given for a score of 1</i></p>	3	2	1
<i>The project is built based on lessons learned from UNDP experiences at both national and international level.</i>			
6. Does UNDP have a clear advantage to engage in the role envisioned by the project vis-à-vis national/regional/global partners and other actors? <ul style="list-style-type: none"> • 3: An analysis has been conducted on the role of other partners in the area where the project intends to work, and credible evidence supports the proposed engagement of UNDP and partners through the project, including identification of potential funding partners. It is clear how results achieved by partners will complement the project's intended results and a communication strategy is in place to communicate results and raise visibility vis-à-vis key partners. Options for south-south and triangular cooperation have been considered, as appropriate. <i>(all must be true)</i> • 2: Some analysis has been conducted on the role of other partners in the area where the project intends to work, and relatively limited evidence supports the proposed engagement of and division of labour between UNDP and partners through the project, with unclear funding and communications strategies or plans. • 1: No clear analysis has been conducted on the role of other partners in the area that the project intends to work. There is risk that the project overlaps and/or does not coordinate with partners' interventions in this area. Options for south-south and triangular cooperation have not been considered, despite its potential relevance. <p><i>*Note: Management Action or strong management justification must be given for a score of 1</i></p>	3	2	1
<i>UNDP has been the partner of choice for the Government in similar project for a long time and given the strong partnership shaped it will ensure smooth implantation of the project, however stronger systematic analysis needs to be done.</i>			
PRINCIPLED			
7. Does the project apply a human rights-based approach? <ul style="list-style-type: none"> • 3: The project is guided by human rights and incorporates the principles of accountability, meaningful participation, and non-discrimination in the project's strategy. The project upholds the relevant international and national laws and standards. Any potential adverse impacts on enjoyment of human rights were rigorously identified and assessed as relevant, with appropriate mitigation and management measures incorporated into project design and budget. <i>(all must be true)</i> • 2: The project is guided by human rights by prioritizing accountability, meaningful participation and non-discrimination. Potential adverse impacts on enjoyment of human rights were identified and assessed as relevant, and appropriate mitigation and management measures incorporated into the project design and budget. <i>(both must be true)</i> • 1: No evidence that the project is guided by human rights. Limited or no evidence that potential adverse impacts on enjoyment of human rights were considered. <p><i>*Note: Management action or strong management justification must be given for a score of 1</i></p>	3	2	1
<i>The project has no adverse impact on enjoyment of human rights.</i>			

<p>8. Does the project use gender analysis in the project design?</p> <ul style="list-style-type: none"> 3: A participatory gender analysis has been conducted and results from this gender analysis inform the development challenge, strategy and expected results sections of the project document. Outputs and indicators of the results framework include explicit references to gender equality, and specific indicators measure and monitor results to ensure women are fully benefitting from the project. <i>(all must be true)</i> 2: A basic gender analysis has been carried out and results from this analysis are scattered (i.e., fragmented and not consistent) across the development challenge and strategy sections of the project document. The results framework may include some gender sensitive outputs and/or activities but gender inequalities are not consistently integrated across each output. <i>(all must be true)</i> 1: The project design may or may not mention information and/or data on the differential impact of the project's development situation on gender relations, women and men, but the gender inequalities have not been clearly identified and reflected in the project document. <p>*Note: Management Action or strong management justification must be given for a score of 1 A gender analysis will be carried out at the outset of the project implementation.</p>	3	2	1
<p>9. Did the project support the resilience and sustainability of societies and/or ecosystems?</p> <ul style="list-style-type: none"> 3: Credible evidence that the project addresses sustainability and resilience dimensions of development challenges, which are integrated in the project strategy and design. The project reflects the interconnections between the social, economic and environmental dimensions of sustainable development. Relevant shocks, hazards and adverse social and environmental impacts have been identified and rigorously assessed with appropriate management and mitigation measures incorporated into project design and budget. <i>(all must be true)</i>. 2: The project design integrates sustainability and resilience dimensions of development challenges. Relevant shocks, hazards and adverse social and environmental impacts have been identified and assessed, and relevant management and mitigation measures incorporated into project design and budget. <i>(both must be true)</i> 1: Sustainability and resilience dimensions and impacts were not adequately considered. <p>*Note: Management action or strong management justification must be given for a score of 1</p>	3	2	1
<p>10. Has the Social and Environmental Screening Procedure (SESP) been conducted to identify potential social and environmental impacts and risks? The SESP is not required for projects in which UNDP is Administrative Agent only and/or projects comprised solely of reports, coordination of events, trainings, workshops, meetings, conferences and/or communication materials and information dissemination. [if yes, upload the completed checklist. If SESP is not required, provide the reason for the exemption in the evidence section.]</p>	Yes	No	
MANAGEMENT & MONITORING			
<p>11. Does the project have a strong results framework?</p> <ul style="list-style-type: none"> 3: The project's selection of outputs and activities are at an appropriate level. Outputs are accompanied by SMART, results-oriented indicators that measure the key expected development changes, each with credible data sources and populated baselines and targets, including gender sensitive, target group focused, sex-disaggregated indicators where appropriate. <i>(all must be true)</i> 2: The project's selection of outputs and activities are at an appropriate level. Outputs are accompanied by SMART, results-oriented indicators, but baselines, targets and data sources may not yet be fully specified. Some use of target group focused, sex-disaggregated indicators, as appropriate. <i>(all must be true)</i> 1: The project's selection of outputs and activities are not at an appropriate level; outputs are not accompanied by SMART, results-oriented indicators that measure the expected change and have not been populated with baselines and targets; data sources are not specified, and/or no gender sensitive, sex-disaggregation of indicators. <i>(if any is true)</i> 	3	2	1
<p><i>The project has outputs at an appropriate level with SMART indicators accompanied by baseline and targets.</i></p>			

<p>*Note: Management Action or strong management justification must be given for a score of 1</p>			
<p>12. Is the project's governance mechanism clearly defined in the project document, including composition of the project board?</p> <ul style="list-style-type: none"> 3: The project's governance mechanism is fully defined. Individuals have been specified for each position in the governance mechanism (especially all members of the project board.) Project Board members have agreed on their roles and responsibilities as specified in the terms of reference. The ToR of the project board has been attached to the project document. <i>(all must be true).</i> 2: The project's governance mechanism is defined; specific institutions are noted as holding key governance roles, but individuals may not have been specified yet. The project document lists the most important responsibilities of the project board, project director/manager and quality assurance roles. <i>(all must be true)</i> 1: The project's governance mechanism is loosely defined in the project document, only mentioning key roles that will need to be filled at a later date. No information on the responsibilities of key positions in the governance mechanism is provided. <p>*Note: Management Action or strong management justification must be given for a score of 1</p>	3	2	1
<p>13. Have the project risks been identified with clear plans stated to manage and mitigate each risk?</p> <ul style="list-style-type: none"> 3: Project risks related to the achievement of results are fully described in the project risk log, based on comprehensive analysis drawing on the programme's theory of change, Social and Environmental Standards and screening, situation analysis, capacity assessments and other analysis such as funding potential and reputational risk. Risks have been identified through a consultative process with key internal and external stakeholders, including consultation with the UNDP Security Office as required. Clear and complete plan in place to manage and mitigate each risk, including security risks, reflected in project budgeting and monitoring plans. <i>(both must be true)</i> 2: Project risks related to the achievement of results are identified in the initial project risk log based on a minimum level of analysis and consultation, with mitigation measures identified for each risk. 1: Some risks may be identified in the initial project risk log, but no evidence of consultation or analysis and no clear risk mitigation measures identified. This option is also selected if risks are not clearly identified, no initial risk log is included with the project document and/or no security risk management process has taken place for the project. <p>*Note: Management Action must be taken for a score of 1</p>	3	2	1
EFFICIENT			
<p>14. Have specific measures for ensuring cost-efficient use of resources been explicitly mentioned as part of the project design? This can include, for example: i) using the theory of change analysis to explore different options of achieving the maximum results with the resources available; ii) using a portfolio management approach to improve cost effectiveness through synergies with other interventions; iii) through joint operations (e.g., monitoring or procurement) with other partners; iv) sharing resources or coordinating delivery with other projects, v) using innovative approaches and technologies to reduce the cost of service delivery or other types of interventions.</p> <p><i>(Note: Evidence of at least one measure must be provided to answer yes for this question)</i></p> <p>Monitoring and procurement of project will be conducted jointly with the Government partner and it will increase the cost-effectiveness of the project activities.</p>	Yes (3)	No (1)	
<p>15. Is the budget justified and supported with valid estimates?</p>	3	2	1

<ul style="list-style-type: none"> • 3: The project's budget is at the activity level with funding sources, and is specified for the duration of the project period in a multi-year budget. Realistic resource mobilisation plans are in place to fill unfunded components. Costs are supported with valid estimates using benchmarks from similar projects or activities. Cost implications from inflation and foreign exchange exposure have been estimated and incorporated in the budget. Adequate costs for monitoring, evaluation, communications and security have been incorporated. • 2: The project's budget is at the activity level with funding sources, when possible, and is specified for the duration of the project in a multi-year budget, but no funding plan is in place. Costs are supported with valid estimates based on prevailing rates. • 1: The project's budget is not specified at the activity level, and/or may not be captured in a multi-year budget. 	<p><i>Project budget is defined at the activity level which is reflected in the multi-year WP/ budget of the project.</i></p>		
<p>16. Is the Country Office/Regional Hub/Global Project fully recovering the costs involved with project implementation?</p> <ul style="list-style-type: none"> • 3: The budget fully covers all project costs that are attributable to the project, including programme management and development effectiveness services related to strategic country programme planning, quality assurance, pipeline development, policy advocacy services, finance, procurement, human resources, administration, issuance of contracts, security, travel, assets, general services, information and communications based on full costing in accordance with prevailing UNDP policies (i.e., UPL, LPL.) • 2: The budget covers significant project costs that are attributable to the project based on prevailing UNDP policies (i.e., UPL, LPL) as relevant. • 1: The budget does not adequately cover project costs that are attributable to the project, and UNDP is cross-subsidizing the project. <p><i>*Note: Management Action must be given for a score of 1. The budget must be revised to fully reflect the costs of implementation before the project commences.</i></p>	<p>3</p>	<p>2</p>	<p>1</p> <p>The project will follow UNDP's cost recovery strategy as per EU funded project elaborated in the project document.</p>
EFFECTIVE			
<p>17. Have targeted groups been engaged in the design of the project?</p> <ul style="list-style-type: none"> • 3: Credible evidence that all targeted groups, prioritising discriminated and marginalized populations that will be involved in or affected by the project, have been actively engaged in the design of the project. The project has an explicit strategy to identify, engage and ensure the meaningful participation of target groups as stakeholders throughout the project, including through monitoring and decision-making (e.g., representation on the project board, inclusion in samples for evaluations, etc.) • 2: Some evidence that key targeted groups have been consulted in the design of the project. • 1: No evidence of engagement with targeted groups during project design. 	<p>3</p>	<p>2</p>	<p>1</p> <p><i>Key targeted groups have been consulted in the design of the project but needs more elaboration during implementation phase.</i></p>
<p>18. Does the project plan for adaptation and course correction if regular monitoring activities, evaluation, and lesson learned demonstrate there are better approaches to achieve the intended results and/or circumstances change during implementation?</p>	<p>Yes (3)</p>	<p>No (1)</p>	
<p>19. The gender marker for all project outputs are scored at GEN2 or GEN3, indicating that gender has been fully mainstreamed into all project outputs at a minimum.</p> <p><i>*Note: Management Action or strong management justification must be given for a score of "no"</i></p>	<p>Yes (3)</p>	<p>No (1)</p> <p style="text-align: center;">Evidence</p>	
SUSTAINABILITY & NATIONAL OWNERSHIP			
<p>20. Have national/regional/global partners led, or proactively engaged in, the design of the project?</p> <ul style="list-style-type: none"> • 3: National partners (or regional/global partners for regional and global projects) have full ownership of the project and led the process of the development of the project jointly with UNDP. • 2: The project has been developed by UNDP in close consultation with national/regional/global partners. • 1: The project has been developed by UNDP with limited or no engagement with national partners. 	<p>3</p>	<p>2</p>	<p>1</p> <p><i>The project has been developed by UNDP in close consultation with national/regional partners.</i></p>
<p>21. Are key institutions and systems identified, and is there a strategy for</p>	<p>3</p>	<p>2</p>	<p>1</p>

<p>strengthening specific/ comprehensive capacities based on capacity assessments conducted?</p> <ul style="list-style-type: none"> • 3: The project has a strategy for strengthening specific capacities of national institutions and/or actors based on a completed capacity assessment. This strategy includes an approach to regularly monitor national capacities using clear indicators and rigorous methods of data collection, and adjust the strategy to strengthen national capacities accordingly. • 2: A capacity assessment has been completed. There are plans to develop a strategy to strengthen specific capacities of national institutions and/or actors based on the results of the capacity assessment. • 1: Capacity assessments have not been carried out. 	<p><i>HACT Micro assessment has been done.</i></p>	
<p>22. Is there a clear strategy embedded in the project specifying how the project will use national systems (i.e., procurement, monitoring, evaluations, etc.) to the extent possible?</p>	<p>Yes (3)</p>	<p>No (1)</p>
<p>23. Is there a clear transition arrangement/ phase-out plan developed with key stakeholders in order to sustain or scale up results (including resource mobilisation strategy)?</p>	<p>Yes (3)</p>	<p>No (1)</p>

ANNEX 2. Social and Environmental Screening

Project Information

Project Information	
1. Project Title	Enhancing integrated natural resource management for the restoration of wetland ecosystems and support to alternative livelihoods development of local communities
2. Project Number	120072_ Output 116382
3. Location (Global/Region/Country)	Iran

Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?

Briefly describe in the space below how the Project mainstreams the human-rights based approach

Although the project is not directly targeting human rights objectives but as the project is aiming to empower local communities for better livelihood schemes and also conservation and restoration of Hamoun wetlands and engages with local communities including CBOs and NGOs, overall process of the project will build local capacities, establish platforms for peoples participation in the decision making processes as well as implementation of the project which are all in line with human-rights based approach.

Briefly describe in the space below how the Project is likely to improve gender equality and women's empowerment

The project sets a stage and opportunity to involve local communities in decision making processes, implementation of the project's activities and delivering respective results. The process also builds local communities, including women, capacities enabling them to take part in the project and long-term community led initiatives. There are a number of opportunities in project targets for women groups to benefit from the project activities. Women economic empowerment is incorporated in the project approach and will be followed during the project implementation.

Briefly describe in the space below how the Project mainstreams environmental sustainability

The project's main goal is environmental sustainability with especial focus of alternative sustainable livelihood and conservation of Hamoun wetlands. The project is trying to advocate for environmental sustainability and biodiversity conservation. The project will strengthen management structures toward mainstreaming environmental sustainability and building the capacity of stakeholders, including local communities/NGOs/CBOs, toward achieving environmental conservation and sustainable development.

Part B. Identifying and Managing Social and Environmental Risks

<p>QUESTION 2: What are the Potential Social and Environmental Risks? <i>Note: Describe briefly potential social and environmental risks identified in Attachment 1 – Risk Screening Checklist (based on any “Yes” responses). If no risks have been identified in Attachment 1 then note “No Risks Identified” and skip to Question 4 and Select “Low Risk”. Questions 5 and 6 not required for Low Risk Projects.</i></p>	<p>QUESTION 3: What is the level of significance of the potential social and environmental risks? <i>Note: Respond to Questions 4 and 5 below before proceeding to Question 6</i></p>	<p>QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?</p>	
<p>Risk Description</p>	<p>Impact and Probability (1-5)</p>	<p>Significance (Low, Moderate, High)</p>	<p>Comments</p>
<p>1. The project deals with a need for inter-sectoral and cross-border collaboration in the management of land/water resources and dynamic development</p>	<p>P = 2 I = 2</p>	<p>Medium</p>	<p><i>Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.</i> Focus on possible, quick win activities related to cross-boarder collaboration</p>
<p>2. Lack of skilled human resources, especially in the area of participatory approaches and targeted community mobilization and conflict resolution, both in private and government sector</p>	<p>P = 1 I = 2</p>	<p>Low</p>	<p>Process of activities may link to cross-boarder activities might be slow in some stages</p> <p>Process of engaging local community and authorities within the process may take longer than predicted in workplan</p> <p>Necessary capacity building provided by the project during last 2 phases has significantly improved local capacities and will be continued and even enhanced during project phase (III).</p>
<p>3. Bottom up approaches and intersectoral cooperation still needs a practical platform to happen and lack of such platform may put project activities and progress at risk</p>	<p>P = 2 I = 2</p>	<p>Moderate</p>	<p>Establishment of participatory and bottom-up approaches in project implementation and management sometimes challenging to achieve</p> <p>Participatory decision making and planning at national, provincial and local level will enhance bottom-up and inter-sectoral collaboration during project.</p>

QUESTION 4: What is the overall Project risk categorization?		Comments
Select one (see <u>SESP</u> for guidance)		
Low Risk	<input type="checkbox"/>	
Moderate Risk	<input type="checkbox"/>	
High Risk	<input type="checkbox"/>	
QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?		Comments
Check all that apply		
<i>Principle 1: Human Rights</i>	<input type="checkbox"/>	
<i>Principle 2: Gender Equality and Women's Empowerment</i>	<input type="checkbox"/>	
<i>1. Biodiversity Conservation and Natural Resource Management</i>	<input type="checkbox"/>	
<i>2. Climate Change Mitigation and Adaptation</i>	<input type="checkbox"/>	
<i>3. Community Health, Safety and Working Conditions</i>	<input type="checkbox"/>	
<i>4. Cultural Heritage</i>	<input type="checkbox"/>	
<i>5. Displacement and Resettlement</i>	<input type="checkbox"/>	
<i>6. Indigenous Peoples</i>	<input type="checkbox"/>	
<i>7. Pollution Prevention and Resource Efficiency</i>	<input type="checkbox"/>	

Final Sign Off

Signature	Date	Description
QA Assessor		UNDP staff member responsible for the Project, typically a UNDP Programme Officer. Final signature confirms they have "checked" to ensure that the SESP is adequately conducted.
QA Approver		UNDP senior manager, typically the UNDP Deputy Country Director (DCD), Country Director (CD), Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have "cleared" the SESP prior to submittal to the PAC.
PAC Chair		UNDP chair of the PAC. In some cases PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC.

SESP Attachment 1. Social and Environmental Risk Screening Checklist

Checklist Potential Social and Environmental Risks		Answer (Yes/No)
Principles 1: Human Rights		
1.	Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	No
2.	Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups?	No
3.	Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	No
4.	Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	No
5.	Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	No
6.	Is there a risk that rights-holders do not have the capacity to claim their rights?	No
7.	Have local communities or individuals, given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?	No
8.	Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals?	No
Principle 2: Gender Equality and Women's Empowerment		
1.	Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	No
2.	Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	No
3.	Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?	No
4.	Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? <i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being</i>	No
Principle 3: Environmental Sustainability: Screening questions 3 regarding environmental risks are encompassed by		

the specific Standard-related questions below		
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management		
1.1	Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? <i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i>	No
1.2	Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	No
1.3	Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	No
1.4	Would Project activities pose risks to endangered species?	No
1.5	Would the Project pose a risk of introducing invasive alien species?	No
1.6	Does the Project involve harvesting of natural forests, plantation development, or reforestation?	No
1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	No
1.8	Does the Project involve significant extraction, diversion or containment of surface or ground water? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i>	No
1.9	Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)	No
1.10	Would the Project generate potential adverse transboundary or global environmental concerns?	No
1.11	Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area? <i>For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.</i>	No
Standard 2: Climate Change Mitigation and Adaptation		
2.1	Will the proposed Project result in significant ¹ greenhouse gas emissions or may exacerbate climate change?	No
2.2	Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	No
2.3	Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)? <i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding</i>	No
Standard 3: Community Health, Safety and Working Conditions		
3.1	Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	No

¹ In regards to CO₂, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). [The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.]

3.2	Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No
3.3	Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	No
3.4	Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	No
3.5	Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	No
3.6	Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	No
3.7	Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	No
3.8	Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?	No
3.9	Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	No
Standard 4: Cultural Heritage		
4.1	Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	No
Standard 5: Displacement and Resettlement		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	No
5.2	Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No
5.3	Is there a risk that the Project would lead to forced evictions? ²	No
5.4	Would the proposed Project possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	No
Standard 6: Indigenous Peoples		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	No
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	No
6.3	Would the proposed Project potentially affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the Project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)? <i>If the answer to the screening question 6.3 is “yes” the potential risk impacts are considered potentially severe and/or critical and the Project would be categorized as either Moderate or High Risk.</i>	No
6.4	Has there been an absence of culturally appropriate consultations carried out with the objective of	No

² Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.

	achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	
6.5	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No
6.6	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	No
6.7	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	No
6.8	Would the Project potentially affect the physical and cultural survival of indigenous peoples?	No
6.9	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No
Standard 7: Pollution Prevention and Resource Efficiency		
7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	No
7.3	Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs? <i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol</i>	No
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	No
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	No

ANNEX 3. Risk Analysis

OFFLINE RISK LOG



Project Title: Enhancing integrated natural resource management for the restoration of wetland ecosystems and support to alternative livelihoods development of local communities

Award ID: _____ **Date:** _____

Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
The project deals with a need for inter-sectoral and cross-border collaboration in the management of land/water resources and dynamic development	Dec 2019	Operational	Process of activities may link to cross-boarder activities might be slow in some stages P = 2 I = 2	Focus on possible, quick win activities related to cross-boarder collaboration	Project team	Project team		
Lack of skilled human resources, especially in the area of participatory approaches and targeted community mobilization and conflict resolution, both in private and	Dec 2019	Operational	Process of engaging local community and authorities within the process may take longer than predicted in workplan P = 1 I = 2	Necessary capacity building provided by the project during last 2 phases has significantly improved local capacities and will be continued and even enhanced during project phase (III).	Project Team	Project Team		

government sector	Bottom up approaches and intersectoral cooperation still needs a practical platform to happen and lack of such platform may put project activities and progress at risk	Dec 2019		Establishment of participatory and bottom-up approaches in project implementation and management sometimes challenging to achieve P = 2 I = 2	Participatory decision making at national, provincial and local level will enhance bottom-up and inter-sectoral collaboration during project.	Project Team	Project Team			
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Micro Assessment of Department of Environment

Commissioned by UNDP

AGN Azmudekaran CPA

August 2017



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1. Background, Scope and Methodology

Background

The micro assessment is part of the requirements under the Harmonized Approach to Cash Transfers (HACT) Framework. The HACT framework represents a common operational framework for UN agencies' transfer of cash to government and non-governmental implementing partners.

The micro-assessment assesses the IP's control framework. It results in a risk rating (low, moderate, significant or high). The overall risk rating is used by the UN agencies, along with other available information (e.g. history of engagement with the agency and previous assurance results), to determine the type and frequency of assurance activities as per each agency's guideline and can be taken into consideration when selecting the appropriate cash transfer modality for an IP.

Scope

The micro-assessment provides an overall assessment of the Implementing Partner's programme, financial and operations management policies, procedures, systems and internal controls. It includes:

- A review of the IP legal status, governance structures and financial viability; programmer management, organizational structure and staffing, accounting policies and procedures, fixed assets and inventory, financial reporting and monitoring, and procurement;
- A focus on compliance with policies, procedures, regulations and institutional arrangements that are issued both by the Government and the Implementing Partner.

It takes into account results of any previous micro assessments conducted of the Implementing Partner.

Methodology

We performed the micro-assessment on 30 July and 6 August 2017 at the Department of Environment of Iran.

Through discussion with management, observation and walk-through tests of transactions, we have assessed the Implementing Partner's and the related internal control system with emphasis on:

- The effectiveness of the systems in providing the Implementing Partner's management with accurate and timely information for management of funds and assets in accordance with work plans and agreements with the United Nations Development Programme(UNDP);
- The general effectiveness of the internal control system in protecting the assets and resources of the Implementing Partner.

We discussed the results of the micro assessment with the UNDP country office and the IP prior to finalization of the report. The list of persons met and interviewed during the micro-assessment is set out in Annex III.

2. Summary of Risk Assessment Results

The table below summarizes the results and main internal control gaps found during application of the micro-assessment questionnaire (in Annex IV). Detailed findings and recommendations are set out in section 3. below.

Tested subject area	Risk assessment*	Brief justification for rating (main internal control gaps)
1. Implementing partner	Low	Since the organization is a governmental organization and has been registered legally, all its activities are based on the regulations and guidelines approved by government. Therefore in our opinion the result of risk assessment is low.
2. Programme Management	Low	There is a unit for Programme Management in the organization's chart with clear job descriptions including planning and monitoring. Therefore, in our opinion the result of risk assessment is low.
3. Organizational structure and staffing	Low	The IP has written regulations and procedures for recruitment and Human Resource Management. Therefore, in our opinion the result of risk assessment is low.
4. Accounting policies and procedures	Low	Since the organization has well-established finance policies and procedures and has a Finance Comptroller Office to monitor the same, So in our opinion the result of risk assessment is low.
5. Fixed Assets and Inventory	Low	The IP has a system for assets and inventory monitoring, and stocktaking activities are carried out annually; so in our opinion the result of risk assessment is low.
6. Financial Reporting and Monitoring	Low	In addition to the regular controls by the Finance Comptroller Office, the annual financial reports of the organization are controlled by the Supreme Court of Audit, hence low risk
7. Procurement	Low	Procurement is made as per the government's procurement rules and regulations through threshold-based competitive processes, hence low risk
Overall Risk Assessment	Low	Details are reflected in the attached questionnaire.

*High, Significant, Moderate, Low



3. Detailed Internal Control Findings and Recommendations

No Findings

August 31, 2017
AGN Azmudekaran
Certified Public Accountant





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Annex I. IP and Programme Information

Implementing partner name:	Department of Environment
Implementing partner code or ID in UNICEF, UNDP, UNFPA records (as applicable)	010249
Implementing partner contact details (contact name, email address and telephone number):	Dr. Farhad Dabiri (NPD for Wetlands and Cheetah) 02188233103 Dr. Masoud Tajrishi (NPD for HPMP/IS projects)
Main programmes implemented with UNDP:	- Conservation of Iranian Wetlands project - Cheetah project Other deputy of the same IP: -HPMP project -IS project
Key Official in charge of the UNDP Programme(s):	Ali Nazaridouost, Head of programme Mohsen Soleimani, Programme Analyst
Programme location(s):	Central office in Department of Environment Tehran, Target areas may vary from one project to another project depending on projects' objectives and target provinces
Location of records related to the UNDP:	Project central office UNDP
Currency of records maintained:	Accounting and records are made in US Dollar. Local expenses are in Rial, and supporting documents of the local expenses are in Rial.
Latest expenditures incurred/reported to UNICEF, UNDP and UNFPA (as applicable). Indicate the amount (in US\$) and the financial reporting period;	Total expenditure of all projects under DOE as one IP during 2017: US\$ 1,719,944 (Only UNDP – UNICEF and UNFPA do not work with this IP)



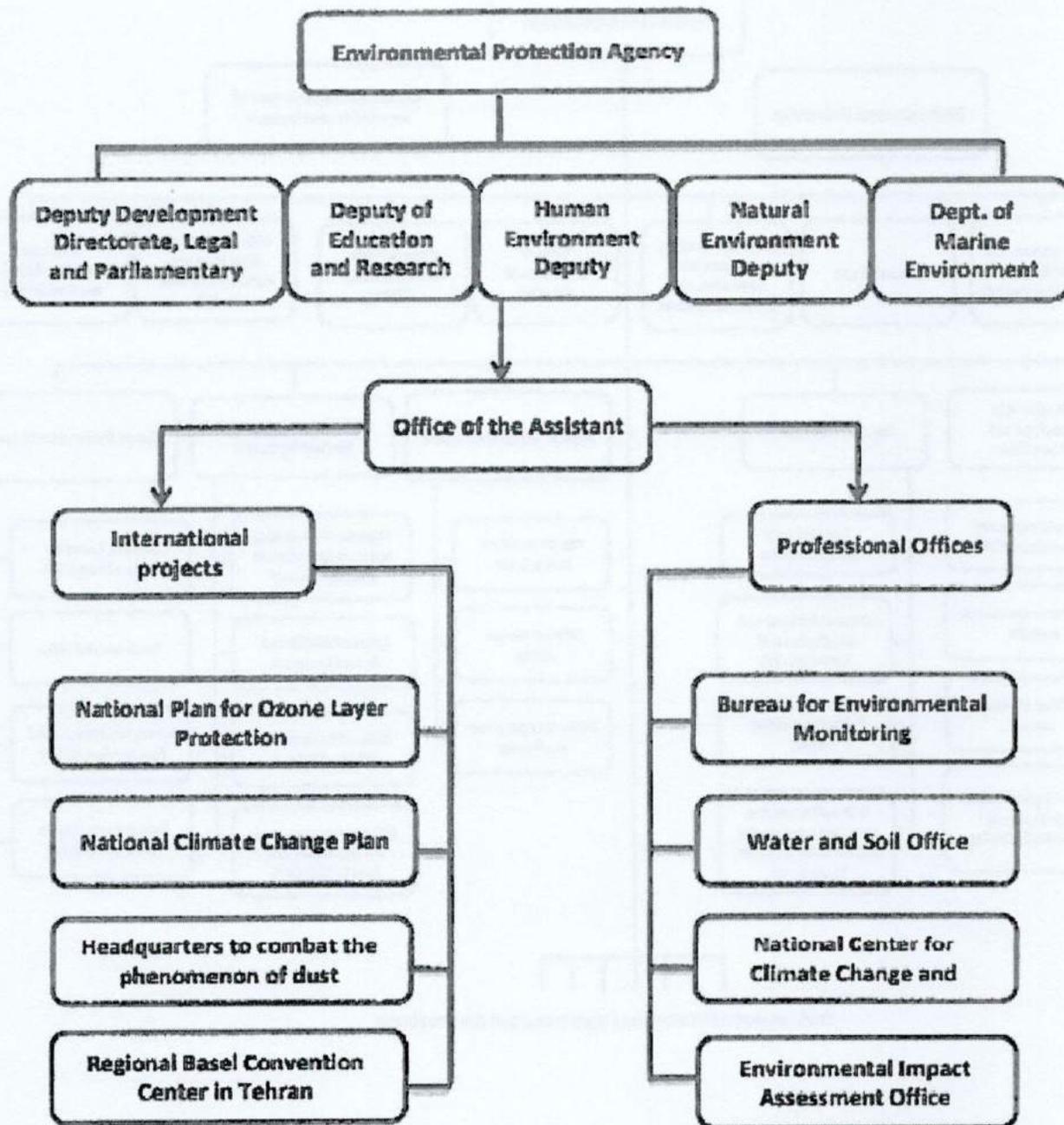
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Cash transfer modality/ies used by the UN agency/ies to the IP	Direct payment to vendors and other third parties for obligations and expenditures incurred by the IP to support activities agreed in the work plan;
Current or latest cash transfer modality/ies used by the UNDP to the IP	Same as above
Intended start date of micro assessment:	July-August 2017
Number of days to be spent for visit to IP:	2 Days
Any special requests to be considered during the micro assessment:	As it was the first time, that the government had agreed to conduct the assessment; the process was requested to be handled with high consideration of the sensitivities around reviewing government process. A professional team was assigned to the assessment and all meetings/consultations with the government were held keeping the sensitivities in mind.



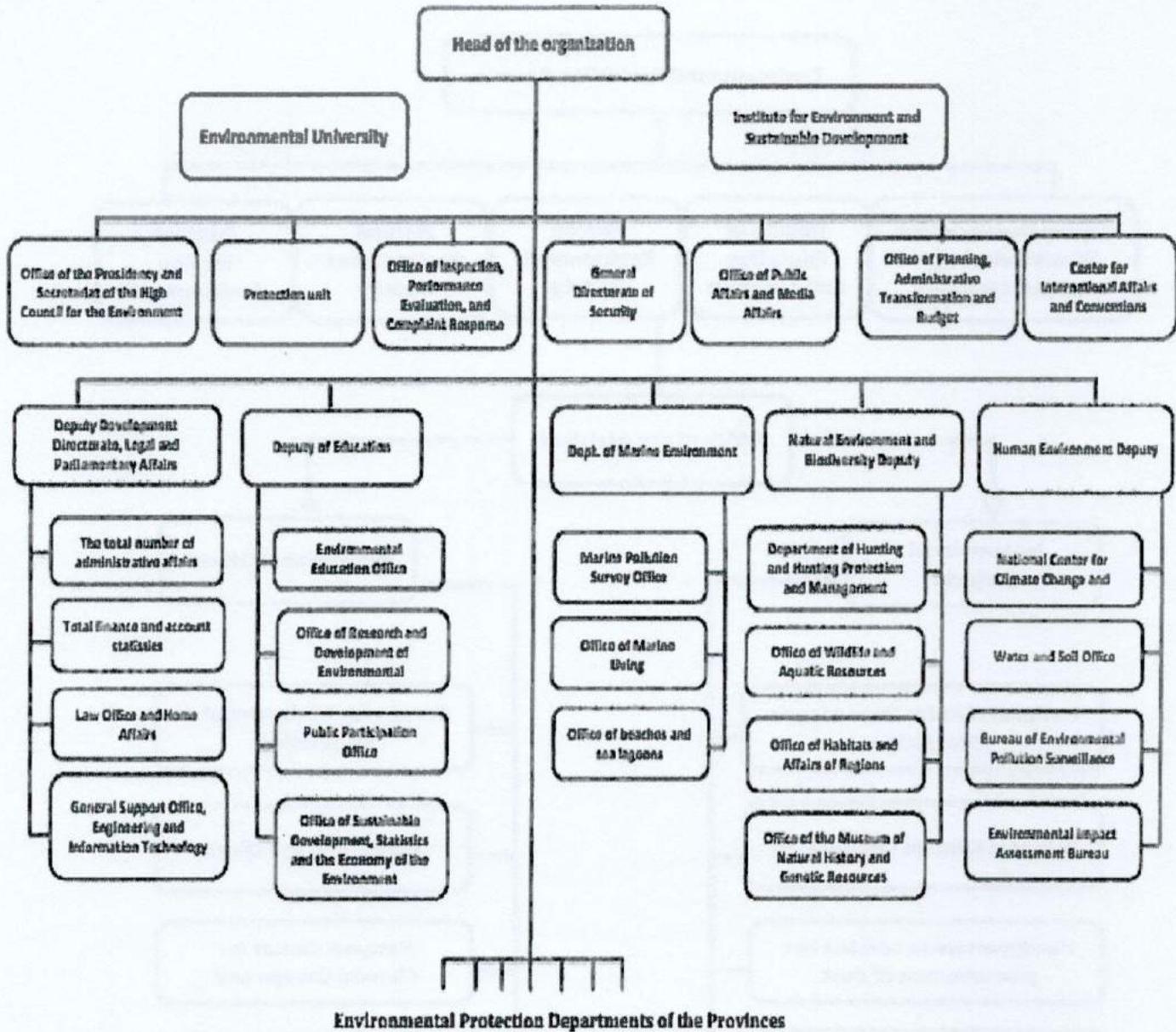
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Annex II. Implementing Partner Organizational Chart





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Annex III. List of Persons Met

Name	Unit/Organization	Position
Mr. Abesht	Department of Environment	Director of the Protection of Wetlands Project
Mr. Shiran Zae	Department of Environment	Responsible for natural resource funding
Mr. Fotoohi	Department of Environment	Planning consultant



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Annex IV. Micro Assessment Questionnaire

Country	Year	Project	Assessment

Subject area <i>(Key questions in bold)</i>	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
I. Implementing Partner						
1.1 Is the IP legally registered? If so, is it in compliance with registration requirements? Please note the legal status and date of registration of the entity.	Yes			Low	1	The IP is a Government organization.
1.2 If the IP received United Nations resources in the past, were significant issues reported in managing the resources, including from previous assurance activities.	Yes			Low	1	There were no significant issues reported in managing the resources.
1.3 Does the IP have statutory reporting requirements? If so, are they in compliance with such requirements in the prior three fiscal years?	Yes			Low	1	The organization reports to the State Inspectorate and to the Supreme Audit Court regularly. They also report their activities to the Ministry of Interior on an annual basis.
1.4 Does the governing body meet on a regular basis and perform oversight functions?	Yes			Low	1	The Financial Comptroller (representative of Tax affairs), Supreme Audit Court (SAC) and Inspection Organisation, that all located in the organisation during the year and monitor and check all transactions, and documents. Comptroller is the employee of the Ministry of Economic Affairs and Finance that located in the FROWO and work as a officer of the accounting department and is the first and ma+93 in responsible of control all financial activities and documents and record all in the books of accounts. SAC of Iran was established in accordance to the Constitution and its supplementary Act, and assigned to operate under the direct supervision of the Islamic Consultative Assembly(the Parliament). The SAC was thereby appointed to act as a legal inspector and auditor of the country. SAC control financial operations and activities of all Ministries, institutions, government companies and other organizations which in any manner whatsoever benefit from the state budget. The inspection Organisation operate under supervision of the Judiciary Affairs and control all administrative and financial activities of all governmental organisations.
1.6 Does the IP show basic financial stability in-country (core resources; funding trend) <i>Provide the amount of total assets, total liabilities, income and expenditure for the current and prior three fiscal years.</i>	Yes			Moderate	4	Financial figures were considered confidential and the amounts of total assets, liabilities, income and expenditure were not disclosed. This risk rating was therefore considered moderate. However, it is a known fact that all government organizations have tight controls over their budget through the presence of representative of the Supreme Audit Control, Financial Comptroller Office as well as the State Inspectorate.
1.7 Can the IP easily receive funds? Have there been any major problems in the past in the receipt of funds, particularly where the funds flow from government ministries?	Yes			Moderate	2	The IP receives money smoothly, but sometimes the whole budget which has been approved by government not paid completely because of deficit in government annual budget.
1.8 Does the IP have any pending legal actions against it or outstanding material/significant disputes with vendors/contractors? <i>If so, provide details and actions taken by the IP to resolve the legal action.</i>		No		Low	1	There is no any important legal claim against the IP, if so because of it is governmental Org. it is not material for IP.
1.9 Does the IP have an anti-fraud and corruption policy?	Yes			Low	1	The IP has governmental regulations and all the activities adhere to these regulations. The IP follows the Money Laundering Law approved on Feb 2010 and Health Promotion Administrative System and Anti-corruption Law approved at Dec 1988. They also have a security department for anti-fraud, and all laws and regulations are communicated in writing to all staff or by their managers.

Subject area <i>(Do the others in bold)</i>	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
1. Implementing Partner						
1.10 Has the IP advised employees, beneficiaries and other recipients to whom they should report if they suspect fraud, waste or misuse of agency resources or property? If so, does the IP have a policy against retaliation relating to such reporting?	Yes			Low	1	The IP has regulations of ethics so any suspect fraud should be reported to the security department and the Financial Comptroller Office in the organization.
1.11 Does the IP have any key financial or operational risks that are not covered by this questionnaire? If so, please describe. <i>Examples: foreign exchange risk, cash receipts.</i>		No		Low	1	
Total number of questions in subject area:	11					
Total number of applicable questions in subject area:	11					
Total number of applicable key questions in subject area:	5					
Total number of risk points:	15					
Risk score	100					
Area risk rating	Low					

Subject area <i>(key questions in bold)</i>	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
2. Programme Management						
2.1 Does the IP have and use sufficiently detailed written policies, procedures and other tools (e.g. project development checklist, work planning templates, work planning schedule) to develop programmes and plans?	Yes			Low	1	There is enough written detailed instructions and procedures. For each program IP prepare a written work plan and procedure that approve by top management and communicate to all employees.
2.2 Do work plans specify expected results and the activities to be carried out to achieve results, with a time frame and budget for the activities?	Yes			Low	1	After approving the work plan, if the work done internally by IP's employee they must follow the IP's instruction and if it done by out sources, IP prepare a contract that sign by both parties and all steps of work, time and payments are cleared.
2.3 Does the IP identify the potential risks for programme delivery and mechanisms to mitigate them?	Yes			Low	1	Due to above comments, based on the contract between IP and contractor, IP transfer all risks to the contractors.
2.4 Does the IP have and use sufficiently detailed policies, procedures, guidelines and other tools (checklists, templates) for monitoring and evaluation?	Yes			Low	1	As governmental organisations this IP have to follow all policies, procedures and guidelines prepared by government to control and monitoring the plans.
2.5 Does the IP have M&E frameworks for its programmes, with indicators, baselines, and targets to monitor achievement of programme results?	Yes			Low	1	
2.6 Does the IP carry out and document regular monitoring activities such as review meetings, on-site project visits, etc.	Yes			Low	1	Monitoring of the activities take place periodically on a monthly, quarterly or annual basis, depending on the plan/programme requirements.
2.7 Does the IP systematically collect, monitor and evaluate data on the achievement of project results?	Yes			Low	1	All projects monitor by technical department (as project supervisor) and supervise all process of work and approve each steps and then payments will pay based on their approval. The comptroller check all documents and approval needed then sign for payment.
2.8 Is it evident that the IP followed up on independent evaluation recommendations?	Yes			Low	1	The organization follows the guidelines of the government and they follow independent evaluation recommendations.
Total number of questions in subject area:	8					
Total number of applicable questions in subject area:	8					
Total number of applicable key questions in subject area:	2					
Total number of risk points:	8					
Risk score	1					
Area risk rating	Low					

Subject area <i>(any questions in bold)</i>	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
3. Organizational Structure and Staffing						
3.1 Are the IP's recruitment, employment and personnel practices clearly defined and followed, and do they embrace transparency and competition?	Yes			Low	1	Recruitment is based on the IP's approved regulations and is conducted through national tests on an annual basis.
3.2 Does the IP have clearly defined job descriptions?	Yes			Low	1	Clear Job descriptions are in place. They are defined by the Management and Planning Organization for all ministries and government body.
3.3 Is the organizational structure of the finance and programme management departments, and competency of staff, appropriate for the complexity of the IP and the scale of activities? Identify the key staff, including job titles, responsibilities, educational backgrounds and professional experience.	Yes			Low	1	Identification of Key staff, job titles, responsibilities, educational backgrounds and professional experience have been identified.
3.4 Is the IP's accounting/finance function staffed adequately to ensure sufficient controls are in place to manage agency funds?	Yes			Low	1	Due to strong internal controls for government organisations, accounting functions defined clearly and due to segregation of duties, staffs hired and same controls are in place to manage agency funds
3.5 Does the IP have training policies for accounting/finance/programme management staff? Are necessary training activities undertaken?	Yes			Low	1	There is mandatory training and special courses during the year for all staffs and managers.
3.6 Does the IP perform background verification/checks on all new accounting/finance and management positions?	Yes			Low	1	All new staffs(finance and others) are hired based on the government regulations and due to exams and fully background checks.
3.7 Has there been significant turnover in key finance positions the past five years? If so, has the rate improved or worsened and appears to be a problem?		No		Moderate	2	There is no turnover in key finance position regularly, but as existence of comptroller as representative of Tax affairs and independent from the organisation and existence of the appropriate controls, the risk is considered moderate.
3.8 Does the IP have a documented internal control framework? Is this framework distributed and made available to staff and updated periodically? If so, please describe.	Yes			Low	1	The IP has a documented internal control framework and rules and regulations, that communicated in writing to all staff or by their managers.
Total number of questions in subject area:	8					
Total number of applicable questions in subject area:	8					
Total number of applicable key questions in subject area:	3					
Total number of risk points:	9					
Risk score	1.125					
Area risk rating	Low					

Subject area (by functions in bold)	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
4. Accounting Policies and Procedures						
4a. General						
4.1 Does the IP have an accounting system that allows for proper recording of financial transactions from United Nations agencies, including allocations of expenditures in accordance with the respective components, disbursement categories and sources of funds?	Yes			Low	1	Based on government rules and regulations for any payments it is mandatory to prepare and control all documents and record all transactions in an accounting system, so the same method are in place for UN funds.
4.2 Does the IP have an appropriate cost allocation methodology that ensures accurate cost allocations to the various funding sources in accordance with established agreements?	Yes			Low	1	Based on government rules it is mandatory to allocate and approve the budget for all projects, so the same method are in place for UN funds.
4.3 Are all accounting and supporting documents retained in an organized system that allows authorized users easy access?	Yes			Low	1	
4.4 Are the general ledger and subsidiary ledgers reconciled at least monthly? Are explanations provided for significant reconciling items?	Yes			Low	1	Monthly, Quarterly, six month and finally yearly reconciled all accounts. And due to regulations mostly there is no significant deficits because it is necessary to get approval before cost occurred.
4b. Segregation of duties						
4.5 Are the following functional responsibilities performed by different units or individuals: (a) authorizations to execute a transaction; (b) recording of the transaction; and (c) custody of assets involved in the transaction?	Yes			Low	1	Due to accounting functions and segregation of duties, works check and approve by supervisor of the projects and then make the payments, and separately record in the books of accounts.
4.6 Are the functions of ordering, receiving, accounting for and paying for goods and services appropriately segregated?	Yes			Low	1	The Ip defined all functions separately for different people.
4.7 Are bank reconciliations prepared by individuals other than those who make or approve payments?	Yes			Low	1	Due to payments through checks, all checks sign by two individuals who are different from people prepared the checks, and at the end of each month, bank reconciliation prepared by people who is not involve in preparing and recording the bank transactions.
4c. Budgeting system						
4.8 Are budgets prepared for all activities in sufficient detail to provide a meaningful tool for monitoring subsequent performance?	Yes			Low	1	The budget for all activities approved yearly in enough details and communicated to the relevant departments.
4.9 Are actual expenditures compared to the budget with reasonable frequency? Are explanations required for significant variations from the budget?	Yes			Low	1	Due to approval of the state budget for each organization and it divided into many projects by organization and government, that's a common rule all organisations have a quarterly, six month and yearly report to compare the actual amount with the budgets and for any variations as to transfer the approved budget from a project to another one it is needed, all process for initial approval follow again.
4.10 Is prior approval sought for budget amendments in a timely way?	Yes			Low	1	
4.11 Are IP budgets approved formally at an appropriate level?	Yes			Low	1	Yearly budgets for the IP approved by the Ministry of Agriculture.
4d. Payments						
4.12 Do invoice processing procedures provide for: Copies of purchase orders and receiving reports to be obtained directly from issuing departments? Comparison of invoice quantities, prices and terms with those indicated on the purchase order and with records of goods/services actually received? Checking the accuracy of calculations?	Yes			Low	1	
4.13 Are payments authorized at an appropriate level? Does the IP have a table of payment approval thresholds?	Yes			Low	1	Due to segregation of duties all payments approve by different people, and finally comptroller check all documents before issuing the checks.

Subject area	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
4. Accounting Policies and Procedures						
4.14 Are all invoices stamped 'PAID', approved, and marked with the project code and account code?	Yes			Low	1	As described above all payments are based on documents that approved by different independent people and all payments are based on budget which approved before.
4.15 Do controls exist for preparation and approval of payroll expenditures? Are payroll changes properly authorized?	Yes			Low	1	Due to all governmental organisations staff salary approved by government for a year, and during the year mostly are fixed, just the extra work are variable that approved by intermediate managers and check by staff's timesheets and final approval of the top management then timesheet sent to Ministry of Economic Affairs and Finance for payments.
4.16 Do controls exist to ensure that direct staff salary costs reflects the actual amount of staff time spent on a project?	Yes			Low	1	There is no cost allocation system and as described above appropriate control are place for payroll, but for payment to contractors that clear the portion of salary from the total amount.
4.17 Do controls exist for expense categories that do not originate from invoice payments, such as DSAs, travel, and internal cost allocations?	Yes			Low	1	All the payments done by the invoice or contract which approved from appropriate level of managements with a defined restricted amount.
4c. Policies and procedures						
4.18 Does the IP have a stated basis of accounting (i.e. cash or accrual) and does it allow for compliance with the agency's requirement?	Yes			Low	1	The accounting is based on the accrual basis.
4.19 Does the IP have an adequate policies and procedures manual and is it distributed to relevant staff?	Yes			Low	1	
4f. Cash and bank						
4.20 Does the IP require dual signatories / authorization for bank transactions? Are new signatories approved at an appropriate level and timely updates made when signatories depart?	Yes			Low	1	All checks sign by two individuals who are different from people prepared and records the checks, and all changes immediately report to the banks. The first signatories is comptroller and the second is a manager from the organisation, and any changes immediately report to bank.
4.21 Does the IP maintain an adequate, up-to-date cashbook, recording receipts and payments?	Yes			Low	1	All cash transactions record in cashbook by treasurer.
4.22 If the partner is participating in micro-finance advances, do controls exist for the collection, timely deposit and recording of receipts at each collection location?	Yes			Low	1	Most of the collections are receive from the government instead of the notes and record by different people and control and supervise.
4.23 Are bank balances and cash ledger reconciled monthly and properly approved? Are explanations provided for significant, unusual and aged reconciling items?	Yes			Low	1	Bank reconciliation prepare monthly.
4.24 Is substantial expenditure paid in cash? If so, does the IP have adequate controls over cash payments?	No			Low	1	All payments done by cheque and no expenditure paid in cash.
4.25 Does the IP carry out a regular petty cash reconciliation?	Yes			Low	1	
4.26 Are cash and cheques maintained in a secure location with restricted access? Are bank accounts protected with appropriate remote access controls?	Yes			Low	1	No cash is held in the safe box but cheque book maintained in safe box.
4.27 Are there adequate controls over submission of electronic payment files that ensure no unauthorized amendments once payments are approved and files are transmitted over secure/encrypted networks?			N/A	Low	1	No electronic payment make through internet, all payments done by cheque.
4g. Other offices or entities						
4.28 Does the IP have a process to ensure expenditures of subsidiary offices/ external entities are in compliance with the work plan and/or contractual agreement?	Yes			Low	1	All provincial offices follow the same instruction and rules with the main office and have independent controls.

Subject area <i>(Key questions in bold)</i>	Yes	No	N/A	Risk Assessment	Risk points	Remarks/Comments
4. Accounting Policies and Procedures						
4h. Internal audit						
4.29 Is the internal auditor sufficiently independent to make critical assessments? To whom does the internal auditor report?	Yes			Low	1	The IP supervise and controlled by finance comptroller during the cost occurring and the Supreme Audit court control all transactions after cost occurred, and the State Inspector during the year which they report to appropriate level of government yearly and by case.
4.30 Does the IP have stated qualifications and experience requirements for internal audit department staff?	Yes			Low	1	
4.31 Are the activities financed by the agencies included in the internal audit department's work programme?	Yes			Low	1	All projects plans, manage and execute by IP are under control by the Supreme Audit court, the Finance Comptroller Office and the State Inspectorate.
4.32 Does the IP act on the internal auditor's recommendations?	Yes			Low	1	All recommendations are communicated to the IP's manager and followed by relevant departments for appropriate adjustments.
Total number of questions in subject area:	32					
Total number of applicable questions in subject area:	32					
Total number of applicable key questions in subject area:	19					
Total number of risk points:	32					
Risk score	1					
Area risk rating	Low					

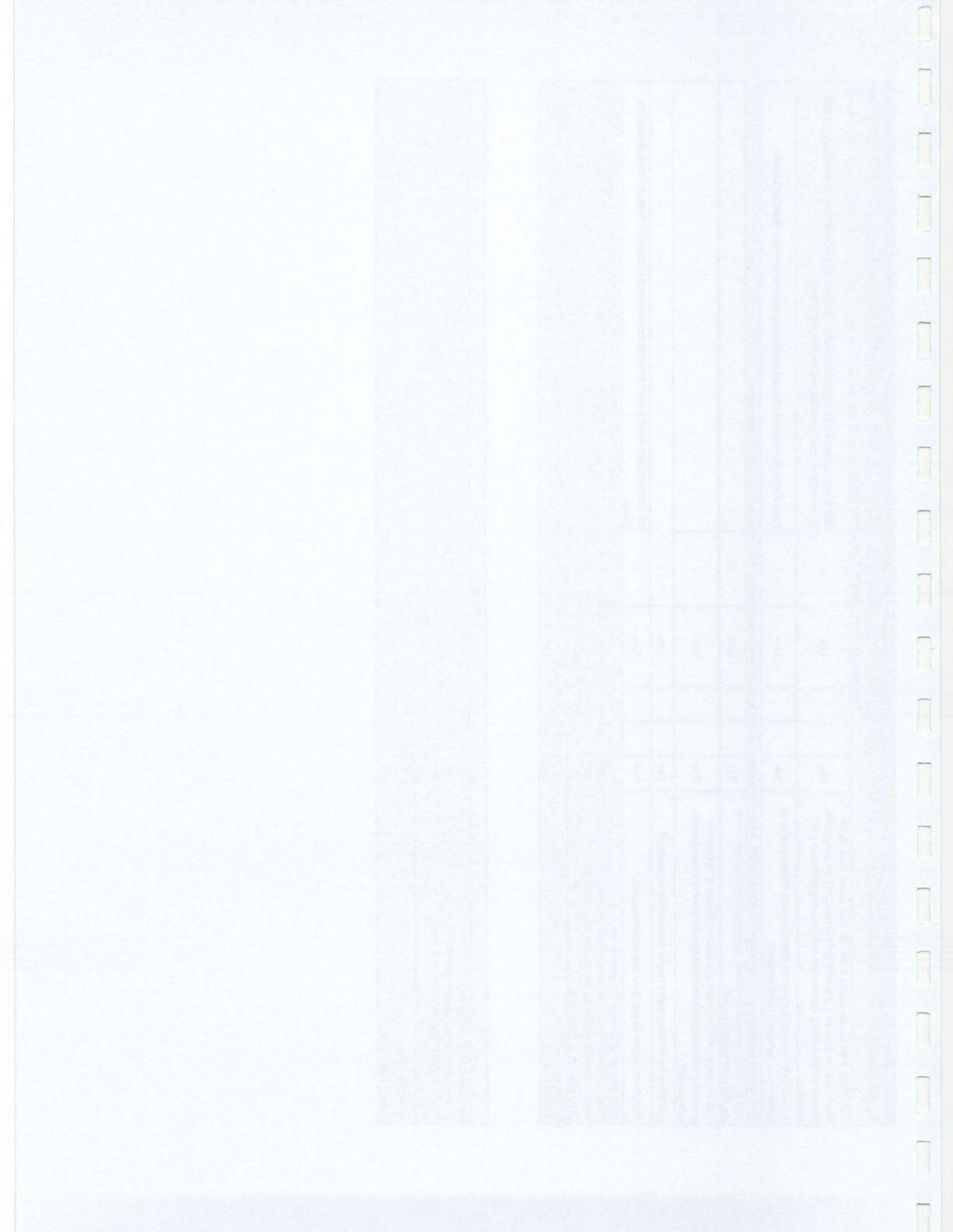
Subject area <i>(For questions in bold)</i>	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
5. Fixed Assets and Inventory						
5a. Safeguards over assets						
5.1 Is there a system of adequate safeguards to protect assets from fraud, waste and abuse?	Yes			Low	1	There is computerized assets system which indicate fixed assets per unit and all the assets have barcode and are under control.
5.2 Are subsidiary records of fixed assets and inventory kept up to date and reconciled with control accounts?	Yes			Low	1	Fixed assets and inventory kept up to date and all movement are recorded immediately and reconciled with control accounts.
5.3 Are there periodic physical verification and/or count of fixed assets and inventory? If so, please describe?	Yes			Low	1	Stocktaking carried out annually at the end of each fiscal year.
5.4 Are fixed assets and inventory adequately covered by insurance policies?	Yes			Low	1	
5b. Warehousing and inventory management						
5.5 Do warehouse facilities have adequate physical security?	Yes			Low	1	Due to strong guidelines all purchase made based on an written request (PR), that approved by appropriate level of management and after receiving transfer to Supplier, so the minimal stock with the good security are kept.
5.6 Is inventory stored so that it is identifiable, protected from damage, and countable?	Yes			Low	1	
5.7 Does the IP have an inventory management system that enables monitoring of supply distribution?	Yes			Low	1	Storekeeper record all movement in a Computerized Inventory system that help management to trace all inventory movement.
5.8 Is responsibility for receiving and issuing inventory segregated from that for updating the inventory records?	Yes			Low	1	Recording the inventory movement is separated from who receiving and issuing inventory.
5.9 Are regular physical counts of inventory carried out?	Yes			Low	1	Stocktaking carried out annually at the end of each fiscal year.
Total number of questions in subject area:	9					
Total number of applicable questions in subject area:	9					
Total number of applicable key questions in subject area:	2					
Total number of risk points:	9					
Risk score	1					
Area risk rating	Low					

Subject area	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
6. Financial Reporting and Monitoring						
6.1 Does the IP have established financial reporting procedures that specify what reports are to be prepared, the source system for key reports, the frequency of preparation, what they are to contain and how they are to be used?	Yes			Low	1	The financial reports are prepared annually. Each department also prepares monthly reports.
6.2 Does the IP prepare overall financial statements?	Yes			Low	1	The Financial Statements prepared based on the special forms (FS for government organizations) that mandated by government.
6.3 Are the IP's overall financial statements audited regularly by an independent auditor in accordance with appropriate national or international auditing standards? If so, please describe the auditor.	Yes			Low	1	The Supreme Audit Court (SAC), Financial Comptroller and the Inspection Organisation audit all activities and documents during the year and report quarterly, six month and yearly and in case.
6.4 Were there any major issues related to ineligible expenditure involving donor funds reported in the audit reports of the IP over the past three years?		No		Low	1	According to the law the IP can not receive any donation but in case if anyone would like to donate they can donate the project to the third party.
6.5 Have any significant recommendations made by auditors in the prior five audit reports and/or management letters over the past five years and have not yet been implemented?		No		Low	1	
6.6 Is the financial management system computerized?	Yes			Low	1	
6.7 Can the computerized financial management system produce the necessary financial reports?	Yes			Low	1	
6.8 Does the IP have appropriate safeguards to ensure the confidentiality, integrity and availability of the financial data? E.g. password access controls, regular data back-up.	Yes			Low	1	Each authorized financial user has separate password and limited access.
Total number of questions in subject area:	8					
Total number of applicable questions in subject area:	8					
Total number of applicable key questions in subject area:	3					
Total number of risk points:	8					
Risk score	1					
Area risk rating						Low

Subject area <i>(Key questions in bold)</i>	Yes	No	N/A	Risk Assessment	Risk point	Remarks/comments
7. Procurement and Contract Administration						
7a. Procurement						
7.1 Does the IP have written procurement policies and procedures?	Yes			Low	1	All procurement done according to governmental Regulations, which is computerized. Purchases of more than 5 million Ruils are done through a centralized website.
7.2 Are exceptions to procurement procedures approved by management and documented ?	Yes			Low	1	
7.3 Does the IP have a computerized procurement system with adequate access controls and segregation of duties between entering purchase orders, approval and receipting of goods? Provide a description of the procurement system.	Yes			Low	1	Procurement system is based on the government procurement regulations. Request is sent to department managers through a computerized system. After manager's approval, it will be sent to the financial department where they consider if the budget of the mentioned items were planned; if so they will confirm the request and then based on the purchase instruction the items will purchase.
7.4 Are procurement reports generated and reviewed regularly? Describe reports generated, frequency and review & approvers.	Yes			Low	1	
7.5 Does the IP have a structured procurement unit with defined reporting lines that foster efficiency and accountability?	Yes			Low	1	
7.6 Is the IP's procurement unit resourced with qualified staff who are trained and certified and considered experts in procurement and conversant with UN / World Bank / European Union procurement requirements in addition to the a IP's procurement rules and regulations?	No			Low	1	No. But the internal regulations are elaborate/complex enough and all staff have to pass a minimum hours training course during the year for their jobs as a mandatory program that can cover the UN requirements.
7.7 Have any significant recommendations related to procurement made by auditors in the prior five audit reports and/or management letters over the past five years and have not yet been implemented?	No			Low	1	
7.8 Does the IP require written or system authorizations for purchases? If so, evaluate if the authorization thresholds are appropriate?	Yes			Low	1	As mentioned in above, all purchases are made on written authorizations. Furthermore the organization is evaluated by the office of the Comptroller and inspectors, so for each purchase they act according to government regulations.
7.9 Do the procurement procedures and templates of contracts integrate references to ethical procurement principles and exclusion and integrity criteria?	Yes			Low	1	
7.10 Does the IP obtain sufficient approvals before signing a contract?	Yes			Low	1	Based on the contract amount, different level of managers are responsible for approve the process and legal department prepare the contract and finally sign by approved managers. Government purchase classified in three Division, Small size(1 to 220 million IRR), Medium size(More than small size up to 2,200 million IRR) and large size (more than medium size)
7.11 Does the IP have and apply formal guidelines and procedures to assist in identifying, monitoring and dealing with potential conflicts of interest with potential suppliers/procurement agents? If so, how does the IP proceed in cases of conflict of interest?	Yes			Low	1	The contract cover all items and in the case of conflict is the reference for both side.
7.12 Does the IP follow a well-defined process for sourcing suppliers? Do formal procurement methods include wide broadcasting of procurement opportunities?	Yes			Low	1	All purchase must be follow from a website that all approved suppliers registered and at time of purchase IP enter the PR then suppliers can put their proposals, then IP choose the best price and finalize the order.
7.13 Does the IP keep track of past performance of suppliers? E.g. database of trusted suppliers.	Yes			Low	1	Past performance of suppliers will check in the site mentioned above by the satisfaction and evaluation form fill out by the other companies which has been used.
7.14 Does the IP follow a well-defined process to ensure a secure and transparent bid and evaluation process? If so, describe the process.	Yes			Low	1	After implementing the process mentioned in 7.3, the IP will check the background of the suppliers and their proposal on the project and they will choose the best.

Subject area <i>(Add questions in bold)</i>	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
7. Procurement and Contract Administration						
7.15 When a formal invitation to bid has been issued, does the IP award the contract on a pre-defined basis set out in the solicitation documentation taking into account technical responsiveness and price?	Yes			Low	1	Due to procurement rules and regulations of government after receiving the bid envelopes, a higher bid for technical and price selector and award the contract.
7.16 If the IP is managing major contracts, does the IP have a policy on contracts management / administration?	Yes			Low	1	According to Procurement rules and regulations, major contracts are based on Tenders.
7b Contract Management - To be completed only for the IP's managing contracts as part of programme implementation. Otherwise select N/A for risk assessment						
7.17 Are there personnel specifically designated to manage contracts or monitor contract expirations?	Yes			Low	1	
7.18 Are there staff designated to monitor expiration of performance securities, warranties, liquidated damages and other risk management instruments?	Yes			Low	1	
7.19 Does the IP have a policy on post-facto actions on contracts?	Yes			Low	1	
7.20 How frequent do post-facto contract actions occur?	Yes			Low	1	All Contracts have the supervisor and post-facto contract action occur frequent during the contract period.
Total number of questions in subject area:	20					
Total number of applicable questions in subject area:	20					
Total number of applicable key questions in subject area:	5					
Total number of risk points:	20					
Risk score	1					
Area risk rating	Low					

Totals	
Total number of questions:	96
Total number of applicable questions:	96
Total number of applicable key questions:	39
Total number of risk points:	101
Total risk score	1.052
Overall risk rating	Low



ANNEX 5

Project Board Terms of Reference and TORs of key management positions

5.A. Project Board ToR

The Project Board (Project Steering Committee) will oversee project implementation and ensure that quality Outputs are produced towards intended Component and Outcomes (please refer to Section VIII for project governance structure).

Department of Environment of Iran, UNDP, EU Representative and Ministry of Foreign Affairs, Cultural Heritage and Trade Organization, Ministry of Interior, Ministry of Jihad Agriculture, Representatives from the Governorship of Sistan & Baluchistan will be members of this board, chaired by DoE.

The board members will provide the below through 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
- Project Assurance role as well as other duties as described in detail in Section VIII of the Project Document

5.B. 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 ensure observance of the General Conditions, Special Conditions and the Communications and Visibility Plan of EU as per the agreement "MIDEAST/2019/411-077" by the Project Team at all the stages of the project implementation
- 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.

5.C. 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 National Project Manager shall be selected based on a transparent, competitive recruitment process.

More specifically, the Project Manager is responsible to:

- Plan the activities of the project and monitor progress against the initial quality criteria;
- Observe the General Conditions, Special Conditions and the Communications and Visibility Plan of EU as per the agreement "MIDEAST/2019/411-077" during the project implementation
- Mobilize goods and services to initiate activities, including drafting TORs and work specifications;
- 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 Work Plan for the following year, as well as Mid-Year Plan.

5.D. Terms of Reference – Monitoring and Evaluation Specialist

The Monitoring and Evaluation Specialist has a key role in ensuring day-to-day implementation of the project work plan, in accordance with the Project Document and UNDP and EU procedures. As such, M&E Specialist will oversee day-to-day management of the project budget and finances, supervising the Project Finance and Procurement Assistant. He/she shall support the NPM in coordinating and overseeing the preparation and delivery of all substantive, managerial and financial reports from and on behalf of the project. M&E Specialist is also responsible for project Monitoring and Evaluation measures under supervision of NPM.

More specifically, the M&E Specialist is responsible to:

- Ensuring day to day implementation of the project in accordance with the annual work plans, project document, UNDP national implementation rules and EU Procedures;
- Observe the General Conditions, Special Conditions and the Communications and Visibility Plan of EU as per the agreement "MIDEAST/2019/411-077" during the project implementation;
- Monitor events as determined in the Project Monitoring and Evaluation Plan, and update the plan as required;
- Overseeing day-to-day management of the project budget and Finance, and supervising the finance and operations expert;
- Under the supervision of the NPM, ensuring that all project activities are subject to quality control, monitoring and evaluation;
- Overseeing all the procurement and HR activities of the project are done as per the NIM Guidelines and through transparent and competitive processes;
- Coordinating implementation of work plan by project national and the field offices, partners and stakeholders and support development and approval of annual work plans;
- Providing technical input to project activities where appropriate;
- Preparing quarterly reports of relevant project progress and problems for NPM to submit to UNDP;
- Supporting and facilitating round-table discussions and Project Board meetings on project successes and failures, as per the work plan;
- Supporting the project Communications Program;
- Prepare regular list of events and compile the UNDP Monitoring Calendar for sharing of information with project staff and external partners;
- Assist with preparation of ToRs and contracts for consultants/experts for project activities;

5.E. Terms of Reference – Finance and Procurement Assistant

Under overall supervision of the National Project Director (NPD), the Finance & Procurement Expert will report to and support the National Project Manager (NPM). He/She will ensure sound and quality financial management of the project in accordance with the Project Document and UNDP and EU procedures. He/She will provide support to the Project Central and Field Offices.

More specifically, the Finance and Procurement Assistant is responsible to:

- provide support in project budget planning in the format applicable;
- Assist the NPM and M&E Specialist in project budget monitoring and project budget revision;
- Observe the General Conditions, Special Conditions and the Communications and Visibility Plan of EU as per the agreement "MIDEAST/2019/411-077" during the project implementation;
- Set up accounting system, including reporting forms and filing system for the project, in accordance with the project document and the UNDP/EU procedures as set under the Accounts & Archiving Section of the General Conditions;
- Prepare project financial reports and submit to NPM and NPD for clearance and furnish to UNDP as required;
- Reconcile all balance sheet accounts and keep a file of all completed reconciliation.
- Check and ensure all expenditures of project are in accordance with UNDP/EU procedures. This includes ensuring that receipts are obtained for all payments;
- Check budget lines to ensure that all transactions are correctly booked to the correct budget lines;
- Ensure documentation relating to payments are duly approved by the NPD;
- To continuously improve system & procedures to enhance internal controls are satisfy audit requirements;
- Maintain a proper inventory of project assets register, including numbering, recording, and reporting;
- Maintain the inventory file to support purchases of all equipment/assets;
- Make sure all required arrangements are in place for holding an event e.g. meetings, workshops, seminars, missions, etc;
- Ensure timely and quality procurement of goods and services for any project event
- Ensure attaining the most cost effective and quality offers for procurement of goods and services;
- Ensuring all the procurement activities of the project are done as per the NIM Guidelines and through transparent and competitive processes;
- Ensure safe keeping of the project financial/procurement records as per the guidelines, to be available for review through Audits, Verifications, Spot Checks, etc.;
- Monitor terms of services/payment for each contract and inform project management on any divergence if happens;
- Provide support in making payments to any project sub-contractors;

5.F. Terms of Reference – Programme and Administrative Assistant

Under overall supervision of the National Project Director (NPD), the Programme and Administrative Assistant will report to and support the National Project Manager (NPM). He/She will handle all of HR, Administration and travel desk typical tasks, helping the project team to achieve the best outputs in their departments. She/he will provide support to the Project Office and assist Project office at the same time.

More specifically, the Programme and Administrative Assistant is responsible to:

- Answer to the phone calls and emails, and responds to the clients;
- Prepare the letters and translate the reports/presentations (both Persian and English);
- Observe the General Conditions, Special Conditions and the Communications and Visibility Plan of EU as per the agreement “MIDEAST/2019/411-077” during the project implementation;
- Ensuring all the HR processes of the project are done as per the NIM Guidelines and through transparent and competitive processes and related records are kept;
- Ensure safe keeping of the project document and HR records as per the guidelines, to be available for review through Audits, Verifications, Spot Checks, etc.;
- Maintain records over project equipment inventory;
- Pro-actively contribute to day-to-day project implementation and support conformity to expected results and project workplans;
- Maintain project correspondence and communication;
- Collect, register and maintain all information on project activities;
- Advise all project counterparts on applicable administrative procedures and ensures their proper implementation;
- Contribute to the preparation of progress reports
- Prepare agendas and arrange field visits, appointments and meetings both internal and external related to the project activities, write minutes from the meetings (both Persian and English), and makes all the arrangements with regard to holding various kinds of meetings;
- Maintain project filing system;
- Prepare routine correspondence and memoranda for Project Managers signature;
- Receive, screen and distribute correspondence and attach necessary background information;
- Provide support to international consultants in the implementation of their tasks for the achievement of project results (communication, contracts, agenda, visas, hotel reservations, etc);
- Maintain records on all project personnel/national consultants and their respective status (contracts, ToRs, time and attendance – if appropriate, etc.) in accordance with accepted policies and procedures;
- Assist in logistical organization of meetings, training and workshops;
- Draft minutes of Project Board and other project related meetings;
- Assist in preparation of all project reports and presentation files (both Persian and English).

5.G. Terms of Reference – Communications Officer

Under overall supervision of the National Project Director (NPD) the Communications Officer will report to the National Project Manager (NPM), and be responsible for effective communication and networking throughout the project implementation as well as overseeing sound engagement of different stakeholders/partners in project activities. The Communications Officer will help to ensure the highest level of information exchange, awareness raising, and public participation in accordance with annual work plans, and developed strategy for each theme. He/ She will also ensure the Donor's (EU) visibility is promoted in all the project products and awareness-raising materials, as per the Communications and Visibility Plan.

More specifically, the Communications Officer is responsible to:

- Observe the General Conditions, Special Conditions and the Communications and Visibility Plan of EU as per the agreement "MIDEAST/2019/411-077" during the project implementation;
- Develop a Public Awareness and Communications Plan, including:
 - Project letterhead, logo, stationary, reporting style, standards and materials
 - Project website, brochure, posters
 - Bi-monthly e-newsletter and other information materials
 - Internal project communications tools
 - Communication links with other related projects
 - Expert networks;
- Work closely with project staff members, consultants (i.e. national and international), partners and stakeholders to develop and implement the project Public Awareness and Communications Plan;
- Provide communications input to project activities where appropriate;
- Play a leading role in establishment, maintaining and updating the project website;
- Assist in activities related to conferences, seminars, training courses etc.
- Ensure style and communications quality vis-à-vis all PR activities;
- Ensure that highest level of stakeholder engagement is achieved in project activities at all levels;
- Support any other activities requested by NPM.

