

UNDP Country Programme for the
Islamic Republic of Iran (2005-2009)

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I. Situation analysis

1. The draft country programme was developed through consultations with the Government, civil society, United Nations organizations and other development partners. The second country cooperation framework (CCF) 2000-2004 saw major developments in the country. The third five-year national development plan (NDP) for the first time recognized the principles of sustainable human development (SHD), and set ambitious goals for equitable social, economic development. The second CCF 2000-2004 strongly supported national efforts in attaining the country's development objectives with a strong emphasis on sustainable, equitable development.

2. The approved fourth five-year NDP from April 2004 to March 2009, expected to be official in 2004, aims to establish knowledge-based sustainable economic growth and development as an overarching national goal, with three objectives: (a) rapid expansion of growth rate; (b) a knowledge-based economy; and (c) global integration.

3. The common country assessment (CCA) uses human development as its guiding principle and the Millennium Development Goals (MDGs) as benchmarks of progress toward attaining the vision of the Millennium Declaration.

4. The poverty situation is characterized by significant regional, rural-urban and gender differences; extreme poverty is sporadic. The CCA assessed that the most vulnerable account for about 20 per cent or more of the population of 65 million. National averages conceal multiple inequalities – between men and women, young and old, rich and poor, employed and unemployed, and inhabitants of different regions. The Gini coefficient gives a value of about 44 per cent for the country (where 0 is complete equality and 100 maximum inequality). These disparities are evident when gender disaggregated data are reviewed, indicating that overall development indicators are shaped by how rapidly the lowest geographical and sectional groups, such as rural woman-headed households in Sistan and Baluchistan, catch up.

5. Just as poverty is a contributing factor to disease and mortality, thus poverty is perpetuated by disease and mortality. In this context, an emerging area of concern is HIV/AIDS. Official figures indicate that the rate of HIV infection is low but rising, and is closely

associated with intravenous drug use. Until March 2003, a total of 4 846 HIV infections were detected and 678 were diagnosed with AIDS, mostly among people who had voluntarily sought testing. The alarming jump in the number of reported infections and AIDS cases from 2001 to 2002 should be seen as a warning to tackle the epidemic tackled with urgency.

6. Good governance is increasingly recognized as crucial for achieving the MDGs. Greater transparency and accountability in public administration, policy choices and decision-making, while furthering decentralization and establishing the rule of law, require close attention. The fourth NDP highlights capacity development and knowledge sharing as crucial in this effort. There is an ongoing need to focus on fairness, gender equity and social justice and implement a rights-based approach further to ensure equal opportunities in development. Extending the practice of democratic participation and promoting and stimulating the growth and activities of civil society organizations (CSOs) will help to expand political pluralism and human rights.

7. Improving economic performance remains a significant challenge. Slow economic growth in the last decade and continued dependence on oil exports caused further employment opportunity losses. The country has sought to assess the impact of globalization on disadvantaged groups in Iran and opportunities for greater trade diversification.

8. The Government has taken a series of measures to address environmental problems, making progress in the last decade in raising public awareness. But the country is still beset by desertification, air and water pollution, soil erosion, deforestation, loss of biodiversity, and under-utilization of renewable resources. Current energy use trends and inefficiency require greater attention to energy efficiency and resource management and planning.

9. Natural disasters remain a major threat and a constant hazard to development and environmental sustainability, as witnessed by the catastrophic earthquake in Bam in December 2003. In the last decade, a number of natural disasters were reported, including four major earthquakes, a number of devastating floods and the worst drought in the last thirty years. The need to strengthen national capacities further in disaster risk prevention and management, in raising awareness among decision-makers in key

development sectors of disaster risk management issues, and adopting multi-disciplinary approaches to assess and manage disaster risk has become urgent, as evidenced in the United Nations Strategy for Support to the Government of the Islamic Republic of Iran following the Bam Earthquake of 26 December 2003.

II. Past cooperation and lessons learned

10. In assessing past cooperation, the second CCF programme review of late 2003 recognized several achievements, in particular: (a) *Programme coherence*. Second CCF strategies are mutually reinforcing and have strong internal and external links, including with the third five-year NDP. Programmes are also well anchored in the situation analysis of the first national human development report (NHDR); (b) *Upstream policy interventions*. Building on existing pressures within government for reform, the second CCF has opened new avenues of cooperation; (c) *Programme impact*. Achievements were noted in programmes in resource management, governance and participation of civil society. The Global Environment Facility (GEF) Small Grant Programme pioneered greater decentralization and engagement with local communities and non-governmental organizations (NGOs).

11. The independent review of the second CCF also identified notable lessons learned from previous cooperation strategies. These include the need to: (a) enhance poverty reduction strategies and increase upstream policy dialogues through a comprehensive approach to poverty alleviation and sustainable human development. The success of the second CCF in this regard has been far too limited in nature; (b) implement progressive programme consolidation in various areas of strategic support. The achievements could have been greater had there been more thematic integration between the wide range of dispersed initiatives and projects; (c) establish realistic resource targets. While failure to achieve resource targets can be attributable to many factors, the reduction, or non-realization, of resources in several cases was detrimental to achieving objectives; (d) ensure effective programme management and monitoring mechanisms and better communications and information sharing. This includes the need to review

existing mechanisms, such as the second CCF steering committee, the UNDP/Government memorandum of understanding, and the local project appraisal committee. Low programme delivery on core resources has been a long-standing issue.

III. Proposed programme

A. Links to UNDAF

12. The United Nations Development Assistance Framework (UNDAF) approved on 31 March 2004 identified five key priority areas, closely aligned with the priorities of the fourth NDP and the MDGs. These objectives are: (a) strengthening capacities for achieving the MDGs; (b) enhancing good governance; (c) improving economic performance and management and creating employment; (d) prioritizing sustainable development, disaster management and energy efficiency; and (e) facilitating transfer of science and technology.

13. In harmony with the thrust of the MDGs and contributing directly to the objectives of the fourth NDP, the new country programme will, within the framework of the UNDAF and in line UNDP practice areas, focus on cooperation in mutually reinforcing objectives – with the cross-cutting themes of knowledge networking, gender equity, promotion of human rights, and information and communication technology (ICT) for development.

14. *Strengthening capacities for achieving the MDGs*. In keeping with the mandate, the country programme will support the Government through policy advisory services to localize and achieve the MDGs, its monitoring and reporting, in particular by supporting the establishment of effective implementation and monitoring mechanisms, statistical capacity, and proper national mechanisms to integrate the MDGs into the NDP framework.

15. An HIV/AIDS programme will focus on data collection with particular attention to gender disaggregated data, awareness raising, strategic planning, and policies for improved national response to HIV/AIDS.

16. *Enhancing good governance*. The good governance strategy is to provide support to strengthen national

governance institutions, promote national law reforms, and empower transparent, accountable and merit-based governance. Promoting human rights culture, increased participation of CSOs in national development processes through advocacy and awareness raising campaigns, decentralization and capacity building will be key components.

17. *Improving economic performance and employment generation.* Country programme strategies in this area will focus on supporting the establishment of a national framework on sustainable macro-economic planning for poverty and disparity reduction, linked to integrated community development programmes, targeting the poor and other disadvantaged groups such as the unemployed, women and youth. At the core of the programme of assistance will be community empowerment, small enterprise development, income generation, employment opportunities, and increased social and CSO participation.

18. As specified in MDG 8 – promoting a global partnership for development – UNDP will support access to best practices in trade diversification and analysis of globalization’s impact on disadvantaged groups, within the context of the country’s competitiveness analysis and comparative advantages, taking into account debt, aid and investment scenarios. A review of the World Trade Organization accession strategy will be undertaken to assess short-term trade policy options for strategic opening up, and industrial and trade policy options to generate export promotion with sustainable employment opportunities.

19. *Sustainable development, disaster management and energy efficiency.* In promoting sustainable resource management, the country programme will support integration of environmental concerns and commitments into development planning at both national and local levels, as well as participatory management of land and water resources and energy efficiency. A comprehensive programme in support of national disaster preparedness, mitigation and recovery will feature strengthening national capacities and increasing public participation at national, local and community levels. Recovery and reconstruction of Bam will be a key component of the country programme, and will form the basis of UNDP support in this area. The Mine Action Programme will also continue to support de-mining activities.

B. Cooperation strategies

20. Given the programme focus, and based on lessons learned in the second CCF, cooperation strategies will tackle related constraints along the following lines:

(a) Make achieving MDGs the core objectives in all priority areas, with strong emphasis on linking upstream policy with pilot alternative pro-poor downstream and rights-based development approaches;

(b) Emphasize problem analysis, strategy development, capacity assessment and action planning – where relevant, across sectors – involving all key stakeholders;

(c) Mainstream gender in all areas, ensuring that it is an integral part of the design, implementation, monitoring and evaluation of all programmes and projects;

(d) Adopt innovative, strategic and coherent programme approaches exploring cross-sectoral linkages and programme synergies for programme integration and coherence;

(e) Identify and disseminate good practices, and connect national partners to global knowledge, experience and resources through global and regional cooperation, networking, new ICT technologies, and South-South cooperation.

21. Guided by national consultations and other discussions, the Government and UNDP intends to pursue a partner strategy working closely with other United Nations organizations, bilateral institutions, CSOs/NGOs, and the World Bank in implementing the new country programme, as referred to in the attached results and resources framework.

22. *United Nations system.* Through parallel or joint programmes, the United Nations system partnership provides a package of technical and financial assistance within the UNDAF, in particular, in supporting national MDG efforts and the UNDAF implementation through enhanced synergies among agency country programmes.

23. *World Bank.* The Government, UNDP and the World Bank partnership will be built around poverty reduction policy development and monitoring. It can provide a channel for linking data and analysis gathered through the national poverty monitoring system to macro-economic planning on poverty reduction, and to MDG reporting and advocacy.

24. *Bilateral institutions.* Building essentially on the partnerships forged during the previous programme, the focus will be on partnerships and technical assistance in areas of common interest, such as poverty reduction and monitoring, promoting good governance and human rights, CSO/NGO participation, and disaster risk management.

25. *CSOs/NGOs, academic and research institutions.* Further initiatives will be pursued to build and expand collaborative relationships with these actors at national and local levels. These will especially centre on: CSO/NGO participation in national development processes; input into and participation in the national poverty monitoring system; and execution of UNDP-funded programmes.

IV. Programme management, monitoring and evaluation

26. National execution has been the main modality for UNDP programme management, and will remain so for the proposed programme. National execution capacity, however, will be assessed, and necessary measures will be taken to address existing gaps, especially in light of the implementation of the new Enterprise Resource Planning system in 2004. The country office will continue to provide project support services at the request of the Government in areas where appropriate, such as international procurement. While working within agreed policies, the Government and UNDP will explore non-traditional execution and implementation modalities, where appropriate, such as NGO execution, United Nations Volunteers and, in particular, technical cooperation among developing countries, which is useful and can be improved further.

27. In a major step forward in the application of results-based management, outcome indicators have been agreed on with the Government and other key stakeholders. Results-based management will be systematically integrated across all UNDP-supported programmes and projects. In addition, comprehensive participatory approaches for monitoring and evaluation will be developed and applied in partnership with project implementers and beneficiaries to ensure that basic programme and project monitoring systems are in place and aligned with the results framework.

28. Limited core resources will serve as a catalyst, but successful implementation of the country programme will depend largely on the mobilization of non-core resources, including bilateral, multilateral and national resources. A comprehensive resource mobilization strategy has been prepared that consolidates partnerships with contributing donors and identifies non-traditional resources such as public-private partnerships and other emerging funding mechanisms. This strategy will be translated into specific project-based action plans in accordance with major principles such as recognized comparative advantages, donor engagement, and capitalizing on the non-core funding.

29. Given the critical need for leveraging limited core funds, emphasis will be placed on consolidating existing partnerships and proactively seeking new opportunities. Priority will also be given to enhancing alliances with corporate and regional institutions. The partnership and resource mobilization strategy for the country programme will hinge on regular policy dialogue with the Government and UNDP strategic partners.

30. The country office is continuing to develop in-house expertise in the areas identified in the country programme to offer advice and knowledge in the form of tools and methodologies for programme development, implementation and management of results. The country office structure and staffing pattern will evolve during the next country programme to provide greater service to the clients by building staff capacity through effective learning plans. In addition, the office will use the extra-budgetary resources to complement core positions with technical expertise to strengthen country office capacities. Regional centres will be tapped as a technical resource for the formulation and management of programmes and for continued knowledge development in the country office.

Annex: Results and resources framework for the Islamic Republic of Iran (2005-2009)*

National priority or goal: (a) Knowledge-based capacity development for attaining development targets; (b) Reduction of high risk sexual behaviors, and prevention of and care of HIV/AIDS					
UNDAF outcome 1: Strengthening the national capacities and capabilities for achieving the MDGs.					
Programme component	Country programme outcomes	Country programme outputs	Output indicators, baselines and targets	Role of partners	Indicative resources by goal (in thousands of United States dollars)
MYFF goal: Localizing MDGs	Localizing MDGs and continuous monitoring achievement. Indicators: Adoption of MDGs in national and provincial development planning framework.	Strengthened capacity for integrating the MDGs into national planning and statistical frameworks through macro-micro projects and living standards measurement surveys (LSMS) undertaken in the area-based development (ABD) pilot sites.	Adoption of MDG framework and best practices by national and provincial planning and monitoring and evaluation authorities; projects undertaken in ABD sites; LSMS conducted in ABD sites	MPO/SCI: counterpart for monitoring and evaluation/statistical framework; Provincial authorities for implementation. CSOs, United Nations partners.	<i>Regular resources:</i> \$250 <i>Other resources:</i> \$500
HIV/AIDS awareness raising and prevention	National responsiveness to HIV/AIDS treatment and prevention services and public awareness-raising. Indicators: level of public awareness; access to and availability of services; and national and institutional capacity.	Enhanced national capacity building by implementing the Global Fund for Aids, Tuberculosis and Malaria (GFATM) and policy influence, and awareness raising through empowerment of people living with HIV and other vulnerable groups.	Launching and implementation of GFATM fund programme; number covered by GFATM programme; number of policy support provided; number of detected HIV/AIDS cases; number of people living with HIV/AIDS (PLWHA) groups empowered.	GFATM provides funding. United Nations agencies, Ministry of Health, NGOs and PLWHA collaborators and Sub-Recipients.	<i>Regular resources:</i> \$250 of which: Greater Involvement of People Living with AIDS: \$125 <i>Other resources:</i> \$16 000 (GFATM)
National priority or goal: Development of national capacity for good governance					
UNDAF outcome 2: Capacities strengthened for a transparent and accountable Governance system, adhering to the rule of law and in accordance with international standards and conventions.					
Fostering democratic governance An effective parliament and national dialogue on key issues	Increased effectiveness of parliament to perform its legislative and oversight functions. Indicators: (a) Effective and efficient parliamentary procedures, services, management and administration established to help members fully perform their oversight, legislative and representative functions. (b) Mechanisms for accountability such as Public Accounts Committee are in place to ensure legislative oversight. (c) Average time taken for passage of legislation in parliament during the current year.	Parliament's capacity strengthened. National laws are harmonized in accordance with international conventions Demand driven institutional reform.	Number of legislation passed National law on public's right to information adopted.	Office of the High Commissioner for Human Rights (OHCHR), United Nations Office for Drug Control, UNFPA, UNICEF, International Bar Association, NGOs, European Union, International Parliamentary Union	<i>Regular resources:</i> \$1 500 <i>Other resources:</i> \$3 500
Decentralization and local governance	Legislation adopted to enable the participation of civil society organizations in the formulation and implementation of economic and social programmes at the sub-national level. Indicator: Existence of institutionalized mechanisms for regular consultations between local governments and CSOs on economic and social programmes.	Capacities of CSOs enhanced The socially responsible role of the private sector enhanced. The effectiveness, independence and the professional associations enhanced.	Number of NGO consultations Number of companies with clear social agendas/programmes Number of professional associations that can give credentials to new members.	Executive, Legislative and Judiciary, academia, CSOs, Islamic Human Rights Commission, Iranian Bar Association Bilateral donors	
Justice and human rights	Rule of law, related governance institutions and access to justice enhanced in correspondence with international human rights. Indicator: (a) People's capacity to demand access to justice within a framework of human rights. (b) Institutional capacity to provide fair and speedy justice services. (c) Key national laws that impact on human development/rights harmonized in accordance with international conventions.	Access to justice enhanced Human rights culture and protection mechanisms enhanced	Human rights defenders networks and human rights education. The country joins all major international human rights mechanisms		

* The UNDAF results matrix is accessible at either the Executive Board web site (www.undp.org/execbrd/index.htm) or the UNDG web site (www.undg.org).

National priority or goal: (a) empowerment of the community; (b) equal opportunities for and comprehensive empowerment of women and gender equity; (c) reduction of unemployment to 8.4 per cent of the working population by 2009; (d) increase in real economic growth by 8 per cent per annum.					
UNDAF outcome 3: Improved economic performance/employment generation by raising human capabilities and utilization of sustainable small-technologies, especially for unemployed, poor, women, youth and small producers.					
Poverty reduction and pro-poor policy reforms	(1) Higher urban-rural employment for women, socially excluded and disadvantaged groups through community-based development. Indicators: Per cent change in unemployment rate for target groups; Per cent change in poverty for target groups. (2) Enhanced production and market oriented skills for women and other low-income groups, with better access to resources, best practices and sustainable technology. Indicators: Per cent change in share of value added of low income groups, in inequality; and in skilled/technical trained people. (3) Institutionalized merit-based and civil society approaches to enterprise development and employment generation. Indicators: number of institutions, e.g., cooperatives, formed yearly; increase in service delivery efficiency. (4) National statistical/evaluation framework on poverty alleviation. Indicator: quality of poverty/inequality statistics.	Increased income and employment generation in deprived communities through the Area Based Development Programme. Sustainable human development and provincial-based Poverty Reduction Strategy document. Approved National Framework for choosing sustainable technologies. Agreed civil society approaches to institutional and labor market reforms. Strengthened national statistical capacity for poverty monitoring; pilot LSMS survey in selected provinces.	Number of ABDs undertaken; number of poor households covered –target 1 000 per site; adoption of ABD best practices by provincial authorities. Provincial-based poverty reduction strategy document. Adoption of a sustainable technology framework in the planning process. Number of CSOs and cooperatives supported for capacity building. LSMS surveys conducted; quality of poverty monitoring systems and statistics.	MPO as the main counterpart and for monitoring and evaluation. Provincial authorities as co-funding and implementing partners. Ministry of Science and Technologies, CSOs, United Nations Industrial Development Organization (UNIDO), Food and Agriculture Organization of the United Nations (FAO), International Labour Organization (ILO) and the World Bank.	<i>Regular resources:</i> \$2 000 <i>Other resources:</i> \$7 000
Trade and globalization	Access best practices in trade diversification and analysis of impact of globalization on vulnerable groups, e.g. women and the poor. Indicator: (a) Degree of active and equitable participation in the global economy. (b) Institutionalization of people's contribution to and participation in the decision-making processes in key components of international trade policy.	The national capacity on trade and globalization enhanced. Human development impacts of WTO accession identified through a participatory process. A suitable WTO accession strategy identified. Effective employment-oriented export diversification, identification of production areas/niche markets.	Number of local and national workshops. Percentage of participation from NGOs in the workshops. Suitable WTO accession strategy adopted. Degree of impact on employment generation and other (relevant) human development components.	United Nations Conference on Trade and Development (UNCTAD), ITC, WTO Ministry of Commerce, Ministry of Finance, Ministry of Labor, NGOs, women's groups, and workers associations	<i>Regular resources:</i> \$250 <i>Other resources:</i> \$250
National priority or goal: Promotion of sustainable development and enhanced disaster risk management.					
UNDAF outcome 4: Global environmental concerns and environmentally sensitive development integrated in national development frameworks and implemented.					
Energy and environment for sustainable development Frameworks and strategies for sustainable development. Effective water governance and land management. Conservation and sustainable use of biodiversity	(1) Mitigating and adapting to climate change and providing energy for sustainable development. Indicators: Per capita CO ₂ emitted by target sectors. (2) Global environment commitments integrated into development planning and implementation capacity developed. Indicators: Number of national implementation plans developed and integrated into the fifth NDP. (3) Sustainable land/water and biodiversity management in critical ecosystems. Indicators: level of soil erosion (tonnes); number of flora and fauna under threat; percentage increase in productive grasslands; percentage increase in income of the disadvantaged groups including women.	Barriers to wide application of energy efficiency and energy conservation measures in industry removed. Technical, information, policy, institutional and market barriers against commercial renewable energies removed. Country enabled to fulfill its commitments as a signatory party to global conventions and capacity developed to implement these conventions. Community-based resource management policies and practices developed and piloted/demonstrated.	Amount of financing raised to fund energy efficiency and energy conservation technologies Number of new regulations on wind energy and market stimulation measures. Timely preparation and submission of country reports. Number of participatory models for sustainable use of biodiversity. Number of multi-sectoral and integrated watershed planning mechanisms	UNDP and GEF, possibly bilateral donors, are co-funding agencies. United Nations Environment Programme (UNEP), Department of Economic and Social Affairs, UNIDO as technical assistance partners. Department of Environment, national NGOs, academia, Ministry of Energy, MPO. Ministry of Agriculture – Jihad as executing, co-funding partners.	<i>Regular resources:</i> \$600 <i>Other resources:</i> \$20 000 (GEF) \$67 000 (government parallel funding) \$700

Crisis prevention and recovery	<p>(1) Strong disaster risk management capacity including enhanced community awareness and participation and enhanced coordination mechanisms among all stakeholders at local and national levels. Indicators: less casualties and economic loss.</p> <p>(2) Development and application of early warning systems and hazard mapping for effective disaster risk management at all levels. Indicators: decreasing number of loss of life and property</p> <p>(3) Risk reduction integration in post disaster recovery programmes. Indicators: number of recovery programmes.</p> <p>(4) Enhanced national capacities for the formulation and implementation of an integrated community-based mine action strategy. Indicators: number of effective mine action programmes implemented at the community level.</p>	<p>Policies, legal and institutional frameworks implemented and coordination mechanisms developed; Human resource capacities enhanced at community, local, provincial and national levels.</p> <p>Subregional knowledge network established.</p> <p>Improved national and regional drought early warning systems.</p> <p>Higher standards of earthquake safety adopted in the reconstruction</p> <p>Increased resilience of livelihoods</p> <p>Preparation of an mine action strategy and capacity building for communities</p>	<p>Number of published policy documents for seismic resistant building practices;</p> <p>Number of SOP manuals for cross-sectoral coordination in different phases of a disaster;</p> <p>Number of disaster risk management training programmes delivered and plans developed;</p> <p>Number of earthquake resistant building technology options introduced;</p> <p>Number of resilient livelihood options;</p>	<p>United Nations organizations, World Food Programme, United Nations Office for the Coordination of Humanitarian Affairs, UNICEF, UNFPA, and bilateral donors.</p> <p>Government departments such as Ministry of Foreign Affairs, MPO, Ministry of Interior, national research institutions as funding and implementing partners. CSOs and NGO, academia as participating partners.</p>	<p><i>Regular resources:</i> \$1 000</p> <p><i>Other resources:</i> \$6 000</p>
					<p>Total: \$127 750</p> <p><i>Regular resources:</i> \$5 850</p> <p><i>Other resources:</i> \$120 950</p>