Country programme document for the Islamic Republic of Iran
(2012 – 2016)

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I. Situation analysis

1. The Islamic Republic of Iran is a middle-income country with a population of 75 million and gross domestic product (GDP) of nearly $350 billion per annum. Annual GDP per capita growth has averaged 3.5 per cent per annum. In 2010, it ranked 70th on the Human Development Index (HDI) out of 169 countries, with an HDI of 0.70. Over the years, Iran has successfully delivered basic services such as health, education and electricity to its people and is an early achiever or on track to achieve most of the Millennium Development Goals (MDGs) by 2015. Progress has been most notable under MDGs 1, 2, 4 and 5. Good progress has been made under MDG 7, particularly with respect to improved sources of water and phasing out of ozone-depleting substances. The $2 a day purchasing power parity (PPP) poverty rate fell from 4.8 per cent in 2000 to 1.7 per cent in 2005, while the percentage of the population below the minimum level of dietary energy consumption fell from 13.2 per cent to 7 per cent in the same period. Iran’s accomplishments in social and human development can also be seen in a significantly improved HDI, which rose gradually from 0.67 in 2005 to 0.70 in 2010, owing mainly to the health and education indicators. Significantly, the 5th National Development Plan specifically refers to the improvement of the HDI as one of Iran’s national development priorities for the next five years. Sound social policies and significant resource allocations to social sectors over a long period of time, which has averaged nearly 40 per cent of the government annual budget, and the increased overall human capital development, which further enabled improved social development and social services provision, account for Iran’s notable success.

2. Iran has also made significant progress in women’s education and health since 1990 and further efforts are being made to address female unemployment and the low number of women in high decision-making bodies, such as the Parliament. Key achievements include an increase in the percentage of literate women compared to men aged 15 to 24 years from 95.2 per cent in 1997 to 98.6 per cent in 2005; the percentage of girls compared to boys in primary, secondary and tertiary education increased from 85.6 per cent in 1997 to 93.9 per cent in 2005; and the current number of women in university is more than half of all students. This progress is reflected in the Gender Development Index (GDI) for Iran, which rose from 0.713 in 2004 to 0.770 in 2009.

3. Since 1979, the country’s population has more than doubled and over half (50.2 per cent) is below the age of 25, representing a major opportunity for Iran’s development. In March 2010, the estimated unemployment rate was 11.9 per cent (16.8 per cent for women), which fell from 15 per cent in 2004. The official unemployment rates for young people stood at 22.7 per cent for men and 32.4 per cent women in 2008. At the end of 2010, Iran began to implement drastic cuts to state subsidies on fuels, utilities and basic foodstuffs, to reduce economic distortions and waste. A system of compensatory monthly cash transfers reached an estimated 80 per cent of the population and was put in place to cushion the impact of the resulting price increases in addition to the already ongoing social welfare measures.

4. The Government is continuing its efforts to combat HIV/AIDS, tuberculosis and malaria. With regard to HIV/AIDS, the focus is on harm-reduction strategies, which has resulted in the expansion of HIV prevention services among injecting drug users and prison inmates. Government efforts to control tuberculosis and malaria focus on poor people in areas with a high prevalence. Socio-economic and health indicators, including education, unemployment, and child mortality rates in some provinces are lower than the national average. In the case of malaria, the number of laboratory-confirmed autochthonous malaria cases decreased from 11,923 in 2006 to 2,166 in 2010. The incidence rate of tuberculosis in 2007 decreased by 41.6 per cent compared to its level in 1990. The mortality rate of tuberculosis in 2007 decreased by 46.1 per cent compared to 1990. Iran has a concentrated HIV/AIDS epidemic

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1. The sources for all the statistical information in paragraphs 2-4 which concern MDG indicators and national accounts information are: (a) National MDG Report 2006, tables; (b) Central Bank of Iran national accounts information (http://www.cbi.ir/simplelist/5799.aspx); (c) Statistical Yearbook of Iran, 2009; Summary Report of the Labour Force Survey, 2009; as well as the MDG statistics section (www.amar.org.ir); and (d) GHDR 2010.
among injecting drug users, and the prevalence rate among the general population is less than 0.1 per cent, 14.3 per cent among injecting drug users, 1.27 per cent and 0.75 per cent among male and female inmates, respectively.  

5. Iran’s diversity in climatic conditions and its rich marine and terrestrial biodiversity and ecosystems are rooted in its unique geography. Pressure has been put on environmental resources and biodiversity due to persistent droughts, heavy stress on and pollution of scarce water resources, air pollution in urban and industrial areas, as well as degradation of rangelands, wild life and soil erosion. The potential impacts include: loss of arable land; depletion of groundwater, which is the main source of water for irrigation in the farming sector; desertification and deforestation; impacts on health and livelihoods, in particular, of the rural and urban poor.

6. Given its location in one of the most seismically active regions of the world, Iran is the sixth most disaster-prone country in the world. Iran has developed an internationally recognized and effective disaster preparedness and response capacity at the national and local levels, but disaster prevention and risk reduction are areas that will continue to require longer-term and extensive efforts.

II. Past cooperation and lessons learned

7. The country programme for 2005-2011 went through several joint Government-UNDP outcome- and project-based evaluations and assessments, which concluded that the UNDP contribution in the areas of environment, support to the implementation of the Global Fight against AIDS, Tuberculosis and Malaria (GFATM), and disaster risk management have been relevant to Iran’s priorities and that efforts were made to ensure institutional sustainability of the results. As noted below, a number of the results from UNDP contributions have been identified for replication or scaling-up by the Government.

8. Poverty reduction initiatives under the past cycle included the adoption of MDG indicators and targets in the Government’s planning documents and the piloting of community participation and microcredit best practices for further scaling-up. A key result was the adoption of the HDI as a national indicator and integrated natural resource management practices at the sector level.

9. The evaluations have also highlighted UNDP contributions to national institutions, developing a participatory rangeland rehabilitation model, a microcredit system with alternative jobs for the rural poor, targeting men and women. As a result of a successful pilot, early in 2011, the Cabinet of Ministers approved the allocation of sizeable national funding to replicate the model. Drawing upon the Government-UNDP joint initiatives, the 5th National Development Plan has adopted the environmental assessment of strategic-level policies and plans as well as a country-wide “ecosystem-based approach” to the management of wetland ecosystems and biodiversity. The 2008 terminal evaluation of the first phase of the Conservation of the Asiatic Cheetah project confirmed that Iran has been successful in saving from extinction this iconic species and provided a platform for the upgrading of protected areas in 7 out of a total of 10 cheetah habitats.

10. The 2008 Montreal Protocol evaluation also highlighted Iran’s contribution to the global efforts to safeguard the ozone layer. Iran is an early achiever of the phase-out milestones set by the Montreal Protocol. National strategies under the Climate Change and Stockholm Conventions have been developed with UNDP cooperation. The early findings of the 2011 project evaluation on disaster risk management, undertaken jointly by the Government and UNDP, confirmed the role of the project in raising awareness among policymakers, resulting in leveraging additional Government funding. Two pilots implemented in the cities of Kerman and Gorgan on safe schools, neighborhoods and hospitals, are now consolidating results for nationwide replication. In close collaboration with the Strategic, Planning and Control Organization of the Government, disaster risk management was

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integrated nationwide. The programme also developed decision-making support tools -- a National Information Portal and a National Disaster Database.

11. As principal recipient, UNDP played a critical role in supporting Government access to the GFATM grants for HIV/AIDS, tuberculosis and malaria, as well as working with national partners so that, in line with advancing national priorities, it ensured that systems are in place to respond to performance-based management and quality monitoring and evaluation. Since 2005, UNDP has contributed to delivering over $45 million and has accelerated the national response to HIV/AIDS. It has stabilized the prevalence rate among the injecting drug users, which is still the main source of transmission of HIV/AIDS in the country and slowed down the HIV/AIDS rate among prisoners. The malaria and tuberculosis programmes target provinces with the highest burden of these diseases. The contributions of the malaria programme have helped to introduce revised policy in the country to complete malaria eradication by early 2017. The tuberculosis programme has increased the treatment success rate from 82 per cent to 87 per cent after two years of programme implementation.

12. A number of lessons have been drawn from the past cycle, including the need for integrated/intersectoral programme initiatives and effective joint monitoring and evaluation frameworks based on jointly agreed baselines and indicators and incorporating exit strategies in programme design to ensure sustainability. Reviews of the previous country programme have also underlined that the country programme is more likely to reach its targets when (a) there is full ownership by the Government; (b) the United Nations is flexible in its planning and programming to respond to emerging national needs and priorities, and (c) UNDP acts as a convener/facilitator for transfer of knowledge, mutual learning and sharing of expertise through South-South cooperation as well as regional cooperation.

III. Proposed programme

13. The 2012-2016 country programme was prepared with the Government of the Islamic Republic of Iran and derives from the 5th Five-Year National Development Plan, the agreed outcome areas of the United Nations Development Assistance Framework (UNDAF) 2012-2016 and key priorities of the UNDP Strategic Plan. As a middle-income country, Iran is well placed to play a leading role in applying the South-South cooperation modalities through exchange of knowledge and technical expertise, research and application of science and technology and training, both globally and within its region. UNDP will therefore build on its global network of knowledge and best practices to promote knowledge-sharing and South-South cooperation with Iran. The new country programme will focus on four main areas: (a) poverty reduction; (b) health in terms of support to GFATM implementation; (c) environmentally sustainable development; and (d) natural disaster management.

14. Poverty reduction: UNDP will contribute to initiatives that will: (a) support the development of macro-planning models, monitoring and evaluation systems and coordination mechanisms to ensure high-quality job- rich “inclusive growth” patterns; and (b) improve national and subnational institutional capacity for formulating socio-economic policies and social protection models. The achievement of MDGs 3, 6 and 7 will have a direct impact on poverty, so that part of the focus will be on the most at-risk groups, including women, youth and those suffering from HIV/AIDS, tuberculosis and malaria. Poverty reduction initiatives will be linked with environment projects to reach out to the rural and urban poor, supporting their income generation with sustainable livelihoods. At end of the programme cycle, UNDP will help the country’s efforts in further advancing an inclusive growth planning and management framework and model for the national development planning system -- which will contribute to a fully integrated, outcome-based development of national planning capacity.

15. Environment: The country programme will focus on contributing to national capacities for integrated management, conservation, and sustainable use of ecosystems and biodiversity; and for a representative network of “protected areas” to be further strengthened. Climate change mitigation and adaptation capacities will also be targeted at the national and subnational levels, to contribute to the adoption of a climate resilient development path that is aligned with an “inclusive growth” development model. National capacities will be further supported to
strengthen mechanisms for assessing and monitoring environmental impacts and trends, including those that signify the relationship between environmental degradation and poverty. UNDP will cooperate with Iran to access global funding mechanisms under the Multilateral Environment Agreements. By 2015, it is envisaged that Iran will have reduced the consumption of hydrochlorofluorocarbons by 10 per cent in accordance with the Montreal Protocol targets.

16. Natural disaster management: UNDP will continue its support to the Government for the integration of disaster management and risk reduction into development policies, key sector plans and programmes; strengthening knowledge and understanding of disaster risks, strengthening community-based disaster management and risk reduction, and developing regional and international cooperation for the exchange of knowledge and expertise.

17. Health in terms of support to GFATM implementation: In close partnership with the country coordination mechanism, as a principal recipient, UNDP will contribute to the reduction of HIV/AIDS, tuberculosis and malaria through its support to the Government to implement grants from the GFATM and achieve the national AIDS, malaria and tuberculosis objectives.

IV. Programme management, monitoring and evaluation

18. The country programme will be nationally executed and UNDP will use national implementation as the main modality for programme management. In accordance with its agreement with the Government, UNDP will continue to use direct implementation for the GFATM grants. The Government is the prime partner of UNDP. Based on the agreement between UNDP and the Government partners, other partners such as civil society organizations and the private sector may also cooperate in implementation of the programme. UNDP will work jointly with other United Nations agencies and development partners to provide assistance through the proposed programme. In the event of natural disasters and if requested by the Government, UNDP may use its fast-track procedures.

19. UNDP and the Government will implement the country programme within the context of the UNDAF and the UNDAF High Level Steering Committee to ensure coordination with United Nations country team activities. For the purpose of overseeing the country programme formulation, implementation and monitoring and evaluation of the progress of results, a Country Programme Steering Committee has been established, co-chaired by the Ministry of Foreign Affairs and the UNDP Resident Representative.3 The Steering Committee, which is the highest decision-making body for the country programme, will meet twice a year to review progress in the implementation, continued relevance and impact of the development partnership. Following the successful experience of the current country programme formulation phase, the Steering Committee may decide to continue working with the same four Working Groups in each of the country programme areas.

20. The monitoring and evaluation system of the Steering Committee will include: (a) monitoring and reporting on the country programme/country programme action plan indicators; (b) quarterly and annual reporting against targets by joint Government/UNDP Project Boards; (c) the mid-term reporting and review of the country programme; and (d) joint Government/UNDP projects and outcome-based evaluations and external audits. Early in the programme cycle, the Government and UNDP will carry out studies to establish/confirm baseline data for country programme/country programme action plan indicators.

21. The Government and UNDP will explore other cooperation modalities, where appropriate, such as technical cooperation among developing countries within the South-South framework. As outlined in the UNDAF, country ownership, culturally sensitive approaches, using only official data/information as the point of reference shall be framework principles of the collaboration between the Government and UNDP.

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3 The Country Programme Steering Committee comprises focal points from the Strategic Planning and Control Office (SPAC), the Ministry of Welfare, the Ministry of Health, the National Disaster Management Organization (NDMO) and the Department of Environment of the Government.
22. Given Iran’s middle-income country status and the fact that most of the UNDP contribution will be through knowledge transfer, using its global networks of knowledge in order to leverage limited core funds, emphasis will be placed on consolidating existing partnerships and proactively seeking new opportunities. UNDP core resources will serve as a catalyst, and the Government will step in with national resources to ensure successful implementation of the country programme. The UNDP country office is organized along the lines of the country programme and will continue to develop in-house expertise, in the areas identified in the country programme. Resources of the UNDP regional centres and UNDP headquarters will be tapped for technical support and continued knowledge development in the context of the country programme.
Annex. Results and resources framework for the Islamic Republic of Iran (2012-2016)

National priority: 1. Achieving sustainable high gross domestic product growth rates along with improved income distribution, poverty reduction and employment generation through strengthening capacities, including knowledge development

UNDAF/Country programme Outcome 1: Improved national and subnational capacities contribute to formulating macro-level socio-economic policies and plans to promote inclusive economic growth, sustainable human development, social and economic welfare and the prevention of poverty

UNDAF/Country programme Outcome 2: Improved national and subnational capacities contribute to people living under the capability poverty line and most at risk of capability poverty having enhanced access to and participating in education, health and social protection programmes, which contribute to national human capital development. Related Strategic Plan focus areas: Poverty reduction and MDG achievement

<table>
<thead>
<tr>
<th>National partner contribution</th>
<th>Other partner contribution</th>
<th>UNDP contribution</th>
<th>Indicator(s), baselines and target(s) for UNDP contributions</th>
<th>Indicative country programme outputs</th>
<th>Indicative resources/outcome (thousands of United States dollars)</th>
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| By the end of 2016, the Government will introduce (i) inclusive growth and (ii) capability development-based frameworks in development policies and programmes that will be adequately funded and duly implemented. | Specialized expertise will be sought from relevant United Nations agencies (resident and non-resident). Through government led projects and initiatives, universities, civil society and the private sector will also contribute to the implementation of the country programme. | UNDP will facilitate the transfer of global methods, standards, knowledge products, best practices and demonstration pilots to contribute to the Government policies in the development of inclusive growth macroplanning models, monitoring and evaluation systems and coordination capacities. | **Indicator 1:** An integrated model for achieving inclusive growth, capability development and employment generation encompassing demographic factors (disaggregated by sex, age and at-risk populations) and environmentally sustainable development (Yes/No)  
Baseline: Existing growth-oriented economic models  
Target: Model introduced before 2016  
Indicator 2.1. Number of beneficiaries reached by capacity development initiatives under the programme.  
Baseline: To be established based on the data from pilot sites.  
Target: xx percent to be reached above the baseline  
Indicator 2.2. A localized (tested and piloted according to national context) and integrated social capability development planning model and system among ministries is in place (Yes/No)  
Baseline: Not a fully integrated system in place.  
Target: By 2016, a fully integrated system in place | 1.1. Capacities of relevant organizations to incorporate human development criteria (including basic development needs, local participation and capability development systems) into macroeconomic planning is further improved  
2.1. Capacity of relevant organizations for publicly supported employment- and entrepreneurship-generation policies and programming for increased access of those most at risk and/or living under the capability poverty line, to the required basic services, skills and resources is further improved.  
2.2 Capacity of relevant organizations to coordinate and integrate social capability development planning into sector and inter-sector programmes for improved access to quality public education, quality public health, social protection and optimal food programmes and services, including for the most at-risk groups/persons, is further enhanced | Regular  
1: 1,400  
2: 300  
Other  
1: 0  
2: 0 |

National priority: 1. Improving the quality of and access to public health services; 2. Public health services will be available to all people, focusing on primary health care, family physician services and the referral system
**UNDAF/Country programme Outcome 3:** Capacities of the health system and other relevant institutions for the promotion and implementation of policies and programmes to reduce non-communicable and communicable diseases are strengthened. Related Strategic Plan focus areas: Poverty Reduction & MDG achievement

| The Global Fund grants will be implemented, monitored and evaluated in line with National Strategic Plans (NSPs) and programmes by relevant health organizations, which will also support subregional cooperation. | GFATM will continue supporting the national partners in achieving national targets and goals as well as international agreements. Specialized expertise will be sought from relevant United Nations agencies (resident and non-resident). Through government-led projects and initiatives, universities, civil society and the private sector will also contribute to the implementation of the country programme. | UNDP will support institutional capacities for the implementation of HIV/AIDS, tuberculosis and malaria NSPs, and facilitate subregional cooperation in the area of health. | **Indicator 3:** 1. Percentage of children under 5 and pregnant women sleeping under insecticide-treated nets; 2. Tuberculosis treatment success rate; 3. Percentage of injecting drug users reported to use sterile injecting equipment.  
**Baseline:** 1. 40% end-2010; 2. 82% in 2006; 3.74% in 2008  
**Target:** 100% of grant targets achieved by end of each grant cycle. | UNDP, as principal recipient, to deliver the programmes under GFATM grants for HIV/AIDS, malaria and tuberculosis in partnership with Government to facilitate the achieving of the NSP. | **Regular** 50  
**Other** GFATM 37,000 |

| National priority: 1. Environmental considerations integrated into development decision-making; 2. Iran contributes to implementation of Multilateral Environment Agreements and internationally agreed targets; 3. Iran actively contributes to the implementation of Tehran Regional Action Plan to Combat Dust and Sand Storms. | | | | | |

**UNDAF/Country programme Outcome 4:** National, subnational and local capacities enhanced to ensure 1) integrated management, conservation and sustainable use of ecosystems, natural resources and biodiversity; 2) mainstreaming environmental economics into national planning and audits; 3) effective use of knowledge and tools in prevention, control and response to current and emerging environmental pollution; 4) formulation and implementation of climate change mitigation and adaptation plans and projects.  
**Related Strategic Plan focus areas:** Environment and sustainable development

| By the end of 2016, the Government will introduce sustainable environmental development standards and best practices in development policies and programmes that will be adequately funded and duly implemented. | Multilateral donors, such as the Global Environment Facility and the Montreal Protocol, will continue to support national partners in achieving national targets and goals as well as international agreements. Through government-led projects and initiatives, universities, civil society and the development policymaking | UNDP will support institutional capacities through facilitating the transfer of global methods, standards, knowledge products, best practices and demonstration pilots to contribute to further mainstream environment concerns and standards into national, subnational, sectoral, development policymaking | **Indicator 4.1:** Number of localized (tailored to national context) frameworks and mechanisms that integrate sustainable environmental management.  
**Baseline:** The 5th NDP provides the legal basis for integration of principles of sustainable development.  
**Target:** By 2016, national frameworks for sustainable management of wetlands, mountain ecosystems, dryland and Caspian forests, and biodiversity conservation are in place and piloted.  
**Indicator 4.2:** Frameworks for improved PCB and HCFC management in place and implementation started.  
**Baseline:** Inadequate frameworks conducive to national development priorities.  
**Target:** Frameworks introduced by 2016.  
**Indicator 4.3:** Localized frameworks, mechanisms and models (tested and piloted according to national context) on climate change mitigation and adaptation are developed (Yes/No).  
**Baseline:** Second National Communication in place.  
**Target:** By 2016, Third National Communication and Residential | 1. Institutional capacities for integration of sustainable development in national policies supported.  
2. Institutional capacities for sound chemicals management under the Montreal Protocol and Stockholm Convention supported.  
3. National capacities for mitigation and adaptation to Climate Change supported | **Regular** 1,050  
**Other** GEF 30,008 AF 4,000, MP 4,600 |

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$^a$ PCB = polychlorinated biphenyls, HCFC = Hydrochlorofluorocarbon
| Private sector will contribute to the implementation of the country programme. | Energy Efficiency Frameworks in place |

**National priority** 1. Enhancement of disaster risk reduction and management capacities and enforcement of national building codes and earthquake risk reduction measures.

**UNDAF/Country programme Outcome 5**: Disaster risk reduction and management concepts and standards integrated into national development policies/programmes and institutional, operational and coordination capacities for effective disaster risk reduction and response strengthened

**Related Strategic Plan focus areas**: Crisis prevention and recovery

| By the end of 2016, the Government will introduce disaster risk reduction/disaster management (DRR/DM) standards and best practices in development policies and programmes that will be adequately funded and duly implemented. | Specialized expertise will be sought from relevant United Nations agencies (resident and non-resident). Through government-led projects and initiatives, universities, civil society and the private sector will also contribute to the implementation of the country programme. | UNDP will work with national partners in support of institutional capacities through facilitating the transfer of global methods, standards, knowledge products, best practices and demonstration pilots to contribute to (i) further mainstreaming and integration of DRR/DM standards into national, subnational, sectoral, development policymaking (ii) operational capacity of the national system on DRR/DM. |

**Indicator 5.1**: Number of multisectoral DRR and DRM plans developed

**Baseline**: 5th National Development Plan does not have a specific chapter on DRR/DM.

**Target**: By 2016, two sectoral plans that incorporate DRR/DM concepts

**Indicator 5.2**: Tehran Disaster Preparedness, Response, Recovery and Reconstruction plan developed (Yes/No)

**Baseline**: Urban planning in Tehran requires better resilience for earthquake risk and the oversight system in enforcement of national building codes needs strengthening

**Target**: By 2016, a comprehensive earthquake mitigation plan for Tehran is formulated and approved

**Indicator 5.3**: Comprehensive DRR and DM training packages developed and community-based disaster risk management guidelines piloted.

**Baseline**: Disaster preparedness and response training manuals are available.

**Target**: Comprehensive and standardized training manuals developed by 2016

| 1. Institutional capacities for multisectoral DRR/DM plans advanced
2. Institutional capacities for DM contingency plans and risk assessment standards in urban areas supported
3. National capacities for community-based disaster risk management in urban earthquake and flood management supported |

| Regular 555 |

| Other 2,500 |