

UN technical assistance package to help protect the most vulnerable in the Islamic Republic of Iran from further economic hardship

On 5 November 2018, the US Department of the Treasury completed the re-imposition of the remaining US nuclear-related sanctions previously lifted or waived in connection with the signing of the Joint Comprehensive Plan of Action. The unilateral coercive sanctions have hit oil sales, imposed wide-ranging restrictions on traders and businesses and significantly contributed to a devaluation of the currency and inflation. These have had significant consequences for economic growth and social development, with poor populations and people living with vulnerabilities. The impacts of sanctions had been more intense on the lives of poor people, patients, women and children¹. The UN Committee on the Rights of the Child stressed that the effects of the sanctions had had repercussions on children's enjoyment of their rights. Rising levels of unemployment and poverty have adversely affected the rights to health and education and access to other basic services for millions of Iranians. The UN Secretary-General's report² cautions that secondary sanctions are likely to hinder production, availability and distribution of essential medical and pharmaceutical equipment and supplies, which could potentially increase mortality rates. Also noted is the negative effect of sanctions on food security and the availability and distribution of medicines, pharmaceutical equipment and supplies, as well as their potential negative impact on UN Agencies and Organization and other operations and programmes in the country. *UN operations, humanitarian assistance, food, agricultural products, medicines and medical equipment are exempt from sanctions.*

Global experiences during times of economic challenge have led to the identification of a package of technical assistance that can help to address poverty and vulnerability in countries experiencing economic hardship such as the Islamic Republic of Iran (IRI). The package consists of three policy focus areas, buttressed by two operational elements and cross-cutting assistance:

1. Optimizing and investing in improved social safety and protection nets, including transfer mechanism;
2. Optimizing social sector budget for improved service delivery and for socio-economic environmental programme intervention;
3. Advancing comprehensive employment policies (pro-youth, pro-women with a focus on female headed household, pro-poor) and on-the-ground programme initiatives within area-based and community-based context

Along with the required operation elements, that government may request, including:

- a) Enhancing existing government evidence, statistical and data systems for its own evidence-based planning (M&E) and for assessing sanctions impact;
- b) Operationalizing possible humanitarian exemptions from sanctions;
- c) Improved cross-cutting support in communication, coordination, and facilitation of country-to-country knowledge and technical and capacities exchange – as through South-South and Triangular Cooperation (SSTC).

This package provides an opportunity to marshal the expertise of all relevant UN entities, as well as support from other key players in the international community. Drawing upon international good practices, the package has been enriched with inputs from: the UN Resident Coordinator's Office and UN agencies resident in IRI (APDIM, FAO, IOM, UNAIDS, UNAMA, UNAMI, UNDP, UNESCO, UNFPA, UN-Habitat, UNHCR, UNICEF, UNIDO, UNOCHA, UNODC, WFP, and WHO – at country, regional and headquarters levels); non-resident UN agencies (ILO, UNEP); UN Headquarters (UNDOCO); and IMF and World Bank. The Government's willingness to engage in protecting the most vulnerable population is at an unprecedented level of urgency, prioritization and commitment.

The package is being rolled out and monitored by the Government and UN through modifications made to the IRI/UN Development Assistance Framework (UNDAF). Implementation is in close coordination with IRI's Ministry of Foreign Affairs and with relevant Line Ministries (e.g., Ministries of Health, Education, Environment, Labour and Social Welfare).

¹ Report of OHCHR, 34th session of Human Rights Council, November 2019

² Report of the UN Secretary-General on the situation of human rights in the I.R. of Iran, February 2019

Collective efforts to protect the vulnerable population during a period of economic pressure can not only reduce and even prevent many negative impacts but can also avert a protracted period of lower and slower economic growth. Short-term measures to mitigate the negative consequences of economic pressure are a priority and can lay the foundation for medium to long term investments in human capital.

This framework is inclusive of the three formerly separate workstreams documents of the Technical Assistance Package:

- a) The Framework (Programmatic Components)
- b) The Operational Workstream
- c) The South South and Triangular Cooperation Initiative

I. The Framework of the Technical Assistance Package

Policy Area 1	Indicative joint actions
<p>Optimize and invest in social safety nets (social protection)</p> <p>Objective: To assist the Government in enhancing and reforming social safety services and systems to reach optimal levels of efficiency and effectiveness with a focus on vulnerable populations</p> <p>Rationale: Macroeconomic fundamentals, employment policies, and protecting social sector budgets are important but usually not sufficient to protect the vulnerable population during periods of economic challenge. There is overwhelming evidence that social protection plays a central role in protecting the most vulnerable population both in economic upturns and periods of volatility. Social protection can also play a role in stabilizing macroeconomics by stimulating domestic aggregate demand, thereby boosting local production and employment levels. When an economy faces challenges, the need for a fast response means that adapting existing social protection schemes is usually more cost-effective than creating new ones. The coverage of existing schemes can be expanded, and their targeting improved in the short term through the adoption of simple targeting methods, for example, focusing on: (i) geographic characteristics; (ii) family size and housing conditions; and (iii) categories of the most vulnerable populations such as those living with disabilities and elderly living alone.</p>	<ul style="list-style-type: none"> • Support the conduct of rapid social protection diagnoses to work out how best to enhance coherence and expand existing social protection programmes to help protect vulnerable population • Provide technical and financial assistance to support social safety nets that are identified through the rapid diagnosis as having strong performance (efficient management, reach and impact) which could include: conditional or unconditional cash transfers, cash for assets, direct distribution of food or nutritional supplements, school-based feeding programmes, childcare support, maternal/paternal benefit payments, disability allowance, education bursaries, fee waivers, pensions, unemployment benefits, price subsidies, agricultural inputs, public workfare programmes, sustainable livelihood programmes (SLP), health insurance, asset insurance, life insurance, asset creation, and microfinance • Provide technical support to examine challenges of the contributory system (financial sustainability and adequacy of the benefits, incentives, equity) • Facilitate country-to-country exchange (overseas study tours) to allow exchange of knowledge on good social protection initiatives in Iran and elsewhere

Examples of good practices: Azerbaijan, Belgium, Bolivia, Brazil, Bulgaria, Egypt, Ghana, Honduras, Hungary, India, Indonesia, Ireland, Italy, Kazakhstan, Malaysia, Malawi, Mexico, Mongolia, Nicaragua, Philippines, Republic of Korea, South Africa, Spain, Sweden, Turkey

Policy Area 2	Indicative joint actions
<p>Optimize social sector and environmental investments</p> <p>Objective: To assist the Government in developing recommendations for dealing with economic challenges that do not include, or result in, reduced spending on human development and environment priorities</p> <p>Rationale: National economic challenges can deepen the degree of deprivation of the existing poor as well as the large numbers clustered just above the national poverty line who are particularly vulnerable to economic volatility. It is very common for governments to reduce spending on social services. However, this can establish vulnerability and poverty for future generations, is a lost investment in human capital and possible future growth and can derail efforts to achieve national sustainable development goals. Investments in social protection during good times and during periods of economic volatility provide strong social and economic returns on investment. The resources needed for scaling up interventions for the people in need of protection are moderate. Iran is facing multiple environmental challenges (such as climate-change related disasters (e.g., dust storms, flooding), air pollution, food security, water scarcity in some areas).</p>	<ul style="list-style-type: none"> • Hold a series of inter-ministerial consultations to carefully analyze and determine how to: (a) advance investments in some social sector areas (those programmes which have proven benefits for the most vulnerable population and intensify investments in these); (b) maintain existing budget in others (essential services protecting expenditures on a per capita basis and <i>in real terms</i>); and (c) trim expenditure by locating expenditures or revenue leakages in those services that do not have a specific benefit for the vulnerable population or do not have optimal performance at this time (this exercise can initiate and lock in reforms that will improve the performance of the social sector over the long term) • Assist review and strengthening of current strategy, policy, technology, financing, and private sector participation in water management • Support capacity-building activities to address pressing food security challenges such as in rice sector • Support developing an integrated environmental financing framework • Support consultations and capacity building on human mobility and humanitarian information usage for disaster preparedness (including early action), planning and intervention • Support behavior and social change campaign on safe movement of people • Facilitate country-to-country exchange (overseas study tours) to exchange knowledge on good practices related to social sector budget analysis, environmental investment, and safe population movement and inclusive social service planning and delivery

Examples of good practices: Argentina, Brazil, China, Ecuador, Ghana, Indonesia, Ireland, Peru, Republic of Korea, Thailand

Policy Area 3	Indicative joint actions
<p>Advance pro-youth, pro-women, pro-poor comprehensive employment policies and on-the-ground initiatives</p> <p>Objective: To assist the Government in finetuning current employment policies as well as develop a fast-track pro-youth, pro-women with a focus on female headed household, pro-poor comprehensive employment policy and youth-driven employment and entrepreneurship solutions strategy</p> <p>Rationale: Youth unemployment remains high in Iran (29% of people aged 15-24), and there's a gender gap (25% males and 43% of females). Unemployment, under-employment rates, in addition to informality will increase; young women and men coming into the labour market during times of economic volatility are more prone to the scarring effects of long-term unemployment, including skills atrophy and lower future earnings. 1-1.5 million university graduates enter the job market every year. More and more Iranians are receiving higher education, but about half of the unemployed young people have a university degree. Starting a business in Iran is considered challenging.</p>	<ul style="list-style-type: none"> • Provide technical support for refinement of existing and development of new employment policy instruments and information systems which could include: unemployment insurance; retraining programmes to enable workers to readjust to the new labour market and preserve the skills of workers; reducing working hours in response to falling profits; micro-credit schemes; short-term work programmes; wage subsidies; workfare programmes; incentives for work-based learning and apprenticeships, capacity-building to promote inclusive, decent and safe workplaces, promotion of positive business environments to enhance job rich growth for young men and women; improved data systems on youth and women's employment • Support engagement of the private sector through protection of labour, skills training programmes, targeted tax incentives and/or subsidies to generate employment enhanced corporate social responsibility and regulation • Support development of an advisory services platform to facilitate youth-driven solutions in accelerating development through leadership, innovation and entrepreneurship³ • Support investment in and provide technical assistance to the enhancement of technical and vocational education with a focus on flexibility and diverse learning pathways for youth employability • Facilitate country-to-country exchange (overseas study tours) to allow Government to learn from best pro-youth, pro-pro-women, pro-poor employment policies and practices

Examples of good practices: Argentina, Bangladesh, Belgium, Chile, Germany, Hungary, India, Indonesia, Ireland, Peru, Republic of Korea, Thailand

Operational Element	Indicative joint actions
<p>Enhance existing Government data systems for real-time monitoring (RTM) of sanctions impact on vulnerability to poverty, existing poverty, development outcomes (health, nutrition, education, employment, etc.), and prevalence of social harms</p> <p>Objective: To assist the Government in tracking the situation of the vulnerable population and to produce credible evidence that leads to rapid or just-in-time policy formulation and action and allows timely feedback to policy-makers</p> <p>Rationale: Iran possesses several sector-specific monitoring mechanisms, but only a few capture the impacts of economic shocks on vulnerable populations in real-time. Policy makers often contend with information gaps that could be met using RTM.</p>	<ul style="list-style-type: none"> • Government could establish a highly qualified inter-Ministry Team RTM Central Team (RRMCT) in conjunction with Statistical Centre for Iran (SCI) to coordinate data collection system enhancements towards RTM (enhancements can be in phases) • Take stock of existing data sources and identification of data gaps and design RTM methodology • Train and deploy RTM Field Teams in sentinel sites to collect periodic data (e.g., quarterly) • Initiate RTM first round of data collection as soon as possible • Produce quarterly reports based on central databanks and RTM field data for policy-makers on sanction and sanction response impacts on vulnerable population • Deploy RTM technical specialists if needed to help RTM Central Team • Commission study on vulnerability determinants

Examples of good practices: Bangladesh, Brazil, Cuba, Haiti, Iraq, Liberia, Romania, Senegal, Serbia, Somalia, Uganda, Vietnam, and Yemen

³ Platform could consist of: (1) capacity development initiatives of youth talent to become enterprising; (2) business development support services; and (3) policy and regulatory change and private sector mechanism to invest in youth start-ups.

Operational Element	Indicative joint actions
<p>Operationalize humanitarian exemptions from sanctions to mitigate impact on procurement, import, and dispatch of essential supplies (medicines, food, equipment, diagnostic samples, etc.)</p> <p>Objective: To assist the Government in preventing increased morbidity and mortality</p> <p>Rationale: Sanctions are disrupting imports and production of, for example, essential medicines and food, dispatch of diagnostic samples, and imports of essential industrial items (e.g. for transport sector). Morbidity, malnutrition and mortality rates will rise in less advantaged urban and rural areas and amongst specifically elderly, living with disabilities, suffering chronic illness, and other individuals living with vulnerabilities. Vital equipment and infrastructure that cannot be maintained with new parts (e.g., in aviation safety regarding spare parts, equipment etc.) could threaten lives.</p>	<ul style="list-style-type: none"> Organize urgent consultation/s between relevant bodies of Gov and UN to systematically determine next 12 months procurement, import, and dispatch needs Set up Gov/UN Task Force to then systematically collaborate on, monitor and intervene (if needed) on planned import, banking and dispatch transactions applying UN OFAC licenses and other mechanisms where relevant

Cross-cutting support
<ul style="list-style-type: none"> Communication: Develop, monitor and continue to refine a comprehensive communication strategy with Government to ensure the general public of Iran (through national media), international community, and all levels of the UN (Including DSG and IATF) are aware of the collective actions being taken to protect the vulnerable Young people: Through each focus area, ensure civic engagement, participation and inclusion of young people (e.g., media engagement for youth, strengthening existing channels for youth to be included in the formulation and implementation of policies and programmes, capacity building for youth organizations in peacebuilding, community cohesion and as economic agents) Coordination: Maintain use of existing structures (such as UNDAF coordination) to bring in UN expertise at HQ, RO level, ESCAP and ESCWA – organize an Experts Consultation meeting May 2019 Country-to-country exchange: Iran has experiences and good practices that can be shared with other countries as well as opportunities to learn from countries that have faced similar challenges in protecting the vulnerable – facilitation of technical exchange between countries on a range of important issues is a core cross-cutting strategy. UN HQ: Ensure engagement of the Special Rapporteur on the impact of sanctions as well as the Inter-Agency Task Force on Iran.

II. The Operational Workstream of the Technical Assistance Package

Objectives of the TAP Element to Operationalize Humanitarian Exemptions:

Operational Element	Indicative joint actions
<p>Operationalize humanitarian exemptions from unilateral sanctions to mitigate impact on procurement, import, and dispatch of essential supplies (medicines, food, equipment, diagnostic samples, etc.)</p> <p>Objective: To assist the government in preventing increased morbidity and mortality</p> <p>Rationale: Sanctions are disrupting imports and production of, for example, essential medicines and food, dispatch of diagnostic samples, and imports of essential industrial items (e.g. for transport sector). Morbidity, malnutrition and mortality rates will rise in less advantaged urban and rural areas and amongst specific vulnerable populations (elderly, living with disabilities, suffering chronic illness, etc.). Vital equipment and infrastructure that cannot be maintained with new parts (e.g., in aviation safety regarding spare parts, equipment etc.) could threaten lives.</p>	<ul style="list-style-type: none"> Organize urgent consultation/s between relevant bodies of Gov and UN to systematically determine next 12 months procurement, import, and dispatch needs Set up Gov/UN Task Force to then systematically collaborate on, monitor and intervene (if needed) on planned import, banking and dispatch transactions applying UN OFAC licenses and other mechanisms where relevant

This workstream is the operational backbone of TAP that enables the continuity of UN operations in the complex operational context and support the Government of Iran in line with UNDAF commitments.

III. The South South and Triangular Cooperation Initiative of the Technical Assistance Package

Within the framework of the existing UNDAF and 6th Development Plan priorities, the TAP AP has established an SSTC Initiative for connecting Iran to relevant global best practices, through a number of activities, including: a forthcoming national workshop that provides an opportunity to also establish an SSTC national framework, and also addressing five priorities identified by MFA; and followed by an international experts consultation to create opportunities for learning, information exchange and experience sharing on best practices in mitigating the impact of economic sanctions in Iran.

Based on their outcomes, the UN will continue to support priorities under the current UNDAF. Given derived solutions for sanctions related macro-economic shock on the vulnerable population, and to provide support for more systematic governance/institutional approaches to the problem, the SSTC Initiative may help ensure quicker results including improved coverage of the vulnerable population. National counterparts, including MFA, PBO and MEAF, would be involved in the process as foci and technical leads on TAP and SSTC. A technical working group may also be formed to support the process: helping in setting standards, supporting mainstreaming of the proposed procedures and practices.

South South and Triangular Cooperation Initiative

Joint Initiative of GOI & UN	South South and Triangular Cooperation Initiative. RCO & UNDP will lead this initiative in partnership with other relevant UN agencies.
Main objective & outcomes	<ul style="list-style-type: none"> Global Best Practices (BP) Knowledge Transfer and Capacity Building BP Towards Combined Social Protection and Employment Outcomes of the TAP (Improving Social Minimum Welfare Floor and Pro-Poor Employment Generation) BP Capability Development for Planning, Implementation and M&E at National, Provincial and District Levels
Main outputs & results	<ul style="list-style-type: none"> Workshops and Experts Consultation Undertaken Global Best Practices (BP) Identified and Introduced SSTC National Framework Developed BP Knowledge Transfer, Capacity Building and Skills Development Undertaken Mapping and Matching BP to Iran and Local Context

	<ul style="list-style-type: none"> • Mainstreaming of BP into National Programmes, SOP's and Institutions Undertaken and National Strategy Documents Produced for Upscaling • Mainstreamed of BP into 6th and 7th FYDP's
Linkage to Government Priority goals and UNDAF/SP CPD Outcome(s):	<p>GOVERNMENT PRIORITY GOALS: Employment Generation; 8% Annual Income Growth; GINI .34</p> <p>UNDAF OUTCOME: Resilient Economy: Employment Generation, Inclusive Growth and Poverty Reduction.</p>
Linkage to TAP	<p>All four focus areas:</p> <ul style="list-style-type: none"> i) Optimising Social Safety and Protection Nets; ii) Optimising Social Sector Budgets; iii) Advancing Comprehensive Employment Policies; iv) Optimizing Macro-economic Fundamentals and Accelerating Fiscal Stimulus <p>– all with a focus on the vulnerable population to strengthen resilience of the economy</p>

N.B. The attached SSTC mapping indicate the possible focus areas for international cooperation.