

**COUNTRY PROGRAMME  
ACTION PLAN (CPAP)  
2005 – 2009**

BETWEEN

**THE GOVERNMENT OF THE ISLAMIC  
REPUBLIC OF IRAN**

AND

**UNITED NATIONS DEVELOPMENT  
PROGRAMME (UNDP)**

(Final document)



## **The Framework**

The Government of the Islamic Republic of Iran and the United Nations Development Programme (UNDP) are in mutual agreement regarding the contents of this document and their responsibilities in the implementation of the Country Programme.

Furthering their mutual agreement and cooperation for the realization of coherent and integrated United Nations system response to national priorities and needs within the framework of the Millennium Development Goals (MDGs) and the international conferences, summits and conventions of the UN system to which the Government of the Islamic Iran and UNDP are committed;

Building upon the experience gained and progress made during the implementation of the previous Country Programme - the Second Country Cooperation Framework (CCF II) (2000-2004);

And entering into a new period of cooperation – the Country Programme (2005-2009), declare that these responsibilities will be fulfilled in a spirit of friendly cooperation and have agreed as follows:

### **Part I. Basis of Relationship**

1.1 WHEREAS the Government of the Islamic Republic of Iran (hereinafter referred to as “the Government”) and the United Nations Development Programme (hereinafter referred to as UNDP) have entered into Agreement concerning Assistance from the Special Fund, which was signed by the United Nations Special Fund and Iran, in New York, on 6 October 1959.<sup>1</sup> This Country Programme Action Plan (CPAP) together with the Annual Work Plans (AWPs) (which shall be deemed annexes to this CPAP, and incorporated herein by reference) concluded hereunder constitute together the basis upon which the project documents shall be prepared and signed, as referred to in the Agreement concerning Assistance from the Special Fund, between the Government and the UNDP.

1.2 This CPAP is a five-year framework defining mutual cooperation between the Government of Iran and the UNDP, covering the period 2005 - 2009. It is prepared based on development challenges identified in the UN Common Country Assessment (CCA) and the UN response as outlined in the United Nations Development Assistance Framework (UNDAF), which in turn take account of the conventions and the Millennium Development Goals, as well as the lessons learned from the Country Cooperation Framework experience (2000 - 2004). The CPAP, prepared in close consultation with key stakeholders, defines the broad outlines of the goals that the Government and UNDP jointly subscribe to, within agreed financial parameters.

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<sup>1</sup> *Iran has not yet signed the UNDP Standard Basic Assistance Agreement (SBAA): consequently UNDP's programmes of operation are presently administered under the Agreement concerning Assistance from the Special Fund, which was signed by Iran and by the United Nations Special Fund in New York on 6 October 1959.*

## Part II. Situation Analysis

2.1 The [UN Common Country Assessment \(CCA\)](#), a joint analysis of the country's development status by the various United Nations programmes and specialized agencies, identifies challenges and priorities that deserve new and continued programmatic focus by the UN System. The CCA uses human development as its guiding principle and the Millennium Development Goals (MDGs) as benchmarks of progress towards attaining the vision of the Millennium Declaration, and identifies ten human development challenges facing Iran. These challenges include: reaping the demographic bonus; improving economic performance; generating employment; reducing inequality and poverty; improving the education system; improving health and nutrition; putting gender in the centre; strengthening institutional transparency and accountability; enhancing political pluralism; and ensuring environmental stability.

2.2 At present, the 65 million inhabitants of Iran enjoy an average quality of life that is near the top of the middle-level development category, when quantified by the human development index (HDI). With a value of 0.72, Iran appears to be within reach of the level of high human development countries (starting at 0.8). Yet despite recent gains in life expectancy, literacy and educational attainment, current trends in income growth have resulted in small incremental increases in the HDI. Strengthening the economy therefore remains a crucial challenge.

2.3 During the last quarter century, there have been two major demographic changes in Iran, with a large increase in fertility rates during the 1980s, followed by an equally dramatic decrease during the 1990s. Population growth has since fallen to 1.6 percent a year, but a bulge in the population aged 15 – 25 now dominates the demographic structure of the population. This new demographic “bonus” could bring benefits in economic growth and prosperity. But such prosperity would require significant macro-economic reforms, job and investment opportunities, training and long-term financial commitment to human capital development.

2.4 The poverty situation in Iran is characterized by significant regional, rural-urban and gender differences; extreme poverty is sporadic. National averages conceal multiple inequalities – between men and women, young and old, rich and poor, employed and unemployed and the inhabitants of different regions. An assessment of national human development indicators and indices reveals wide inter-provincial disparities, consistent rural-urban differentials and unequal income distribution among the population. The Gini coefficient gives a value of about 44 per cent for the country (where 0 is complete equality and 100 maximum inequality). Nevertheless, the CCA assessed that the most vulnerable account for about 20 per cent or more of the population of 65 million. These disparities are evident when gender-disaggregated data are reviewed, suggesting 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.

2.5 Stimulating and stabilising rural development would improve standards of living, and the demographic equilibrium, and help alleviate poverty. The challenge of eradicating extreme poverty (MDG 1) is to identify and aid those 20 or more percent of people who are the most vulnerable, either because they currently suffer hardship or are likely to suffer with any worsening of the economic situation.

2.6 Just as poverty is a contributing factor to disease and mortality, so poverty is perpetuated by disease and mortality. In this regard, an emerging area of concern is HIV/AIDS. Halting and reversing the HIV/AIDS epidemic represents one of the challenges facing Iran on the road to development. Official figures indicate that the rate of HIV infection is currently very 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. An 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 with urgency. In addition, a large cohort of the population is now entering the reproductive age, and increased services will be required to promote sexual health along with moral values.

2.7 Good governance is increasingly recognized as important 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 National Development Plan highlights capacity development and knowledge sharing as crucial in this effort. There is a need to focus on fairness, gender equity and social justice and implement a development-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.

2.8 Decentralising economic governance and planning is already under way as part of the Third National Development Plan. Removing a distorting system of incentives will unleash the initiative both of private entrepreneurs and of provincial, city and village authorities to pursue explicit human development goals at all levels of government. As one of the world's largest oil and gas producers, a key challenge for Iran is maximising the benefits of these resources. This can be achieved by directing the benefits of its hydrocarbon wealth towards the most productive sectors of the economy in such a way as to stimulate human development, create employment and eliminate poverty.

2.9 Despite the relative wealth enjoyed by Iran through its vast oil and gas reserves, improving economic performance remains a significant challenge. Recent growth has been insufficient either to create employment on the scale needed or to provide the tax base to finance necessary state efforts in health, education, welfare, infrastructure and environmental protection. Although Iran has sought to assess the impact of globalization on certain groups in Iran and

opportunities for greater trade diversification, slow economic growth in the last decade and continued dependence on oil exports caused further employment opportunity losses. Imbalances between government expenditure and revenue tend to produce uncertainty, which discourages productive investment and often encourages unproductive rent seeking. Successful reduction of inflation, without a recession, would punish speculators and redistribute income and demand in favour of the poor, stimulating both growth and employment.

2.10 A major aim of investment policy must be the creation of employment. Unemployment remains high, and the persistent high rate of unemployment in the 15-24 age group remains a top priority for Iran. Developing and implementing strategies for decent and productive work for youth is also one of the targets of MDG 8. Employment creation strategies should ensure improvements in human capital and should address the prevalence of the informal sector. Information and new communication technologies also offer an exciting opportunity to influence growth and employment. Finally, effective planning choices that emphasise labour intensive industries, activities and techniques, will help to contribute to employment generation.

2.11 Successes in health, education and the economy are under threat from environmental deterioration. 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.

2.12 Excessive consumption and the wastage of water, especially in agriculture, has become a critical problem. Long-term drought and a growing number of flooding incidents are creating new environmental planning needs and require further development of the country's already large and experienced disaster mitigation institutions and programmes. Raising environmental consciousness and adopting stronger policies may enable Iran to reduce or reverse the damage already done and ensure environmental sustainability (MDG 7). Current energy use trends and inefficiency require greater attention to energy efficiency and resource management and planning.

2.13 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. Iran is one of the most disaster prone countries in the world, and is extremely vulnerable to natural disasters, particularly earthquakes and extreme climatic events such as droughts and floods. The last decade has seen a number of natural disasters, including four major earthquakes, a number of devastating floods and the worst drought in the last thirty years.

2.14 Rapid urban growth, including growth caused by displacement of rural populations due to drought, together with inadequately regulated building and urban development, are factors that lead to the accumulation of earthquake

disaster risk. 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.

### **Part III. Past Cooperation and Lessons Learned**

3.1 The Second Country Cooperation Framework (CCF II) (2000 – 2004) saw major developments in the country. The Third National Development Plan for the first time recognized the principles of sustainable human development (SHD), and set ambitious goals for equitable social, economic development. The CCF II supported national efforts in attaining the country's development objectives with a strong emphasis on sustainable, equitable development.

3.2 In assessing past cooperation, the CCF II Programme Review of late 2003 recognized several achievements, in particular:

- a) programme coherence. CCF II strategies were mutually reinforcing and had strong internal and external links, including with the third five-year NDP;
- b) upstream policy interventions. Building on existing pressures within government for reform, the CCF II had 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).

3.3 The independent review of the CCF II 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;
- b) implement progressive programme consolidation in various areas of strategic support including more thematic integration between the wide range of dispersed initiatives and projects;
- c) establish realistic resource targets;
- d) ensure effective programme management and monitoring mechanisms and better communications and information sharing. Low programme delivery on core resources remained a long-standing issue.

3.4 Where specific programme areas were concerned, CCF II activities in **Poverty Alleviation and Sustainable Human Development** proved to be tentative and timid. Despite the consensus on poverty as a national priority issue, this was possibly due to a

lack of common language. The results of the employment generation initiative, in cooperation with the ILO, proved disappointing, despite its apparent potential impact on policy formation. Many UNDP activities in the country of course contribute to employment creation and to self-employment; employment generation thus constitutes a crosscutting element, and continued to be a top government priority.

3.5 In **Economic and resource-based management**, the record of project activities in the CCF II is mixed. Many of the projects financed by GEF in the environmental area and those of the Montreal Protocol should however be qualified as successful ventures that have contributed significantly to policy action in their respective fields. In particular, the GEF Small Grants Programme (SPG) has opened up a whole new avenue of development support, harnessing local energies and capacities in matters of interest to the rural communities themselves. The experience gained in operationalising these approaches is likely to have a major bearing on the shape of development cooperation in future, especially where poverty alleviation is concerned. Project activities embraced a variety of activities and outputs that have a bearing on crosscutting issues, environment concerns, gender aspects and poverty among them.

3.6 In **Governance and increased participation of civil society**, UNDP projects have broken new ground in the cooperation between UNDP and Iran, in areas that contribute to sustainable human development supporting national institutional reforms and capacity building. Governance projects have also been productive in creating new partnerships with government agencies and civil society organizations. It is noteworthy that governance projects have attracted the interest of several bilateral donors, giving practical meaning to and indeed enhancing existing partnerships.

3.7 **Special initiatives** - Special programme initiatives have been regarded as a supplement to other sections in CCF II, or as a place where to lodge crosscutting interests, such as disaster preparedness and emergency relief. They also impinge on poverty-related issues, on micro-credit, environmental conservation, and employment generation through cottage industries. However, UNDP-supported activities have often lacked the critical mass needed to achieve impact.

#### **Part IV. Proposed Programme**

4.1 UNDP Country Programme Document (CPD) 2005 - 2009 was developed through extensive consultations led by the Government involving UN organisations and other development partners including civil society. The draft Fourth National Development Plan from April 2004 to March 2009 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.

4.2 The CPD is based on the CCA analysis and on the lessons learned during the previous programming period. It aims to contribute to the realisation of Iran's sustainable human national development through the realization of the goals articulated in UNDAF for the period 2005 – 2009, in close collaboration with other concerned UN

agencies and development partners. In addition the programme responds to commitments endorsed under the Millennium Development Goals (MDGs).

4.3 The [United Nations Development Assistance Framework \(UNDAF\)](#) approved in August 2004 identified five key priority areas, closely aligned with the priorities of the Fourth National Development Plan 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.

4.4 In harmony with the thrust of the MDGs and contributing directly to the objectives of the Fourth National Development Plan, the new Country Programme will, within the framework of the UNDAF and in line with 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. UNDP's programmes will be closely aligned against the five key outcome areas of the UNDAF, namely:

- strengthening capacities for achieving the MDGs
- enhancing good governance
- improving economic performance and employment generation
- sustainable development, disaster management and energy efficiency
- facilitating transfer of science and technology

4.5 Given the programme focus, and based on lessons learned in CCF II to further enhance programme impact and programme integration, 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 development-based 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.

4.6 Strengthening capacities for achieving the MDGs. In keeping with UNDP's 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 National Development Plan framework. Working closely with the Government and other UN agencies, UNDP programmes will aim at strengthened national capacity for integrating the MDGs into national planning and statistical frameworks through macro-micro projects and living standards measurement surveys.

4.7 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. Programmes will be implemented to help improve co-ordination and collaboration between Government entities, UN agencies and NGOs working on HIV, and broaden the coverage and programmatic areas of their work. In line with the objectives of controlling and prevention of HIV/AIDS, UNDP supports approaches with human resources, technical capacity building, and infrastructure to help address the problem and strengthen national responses. National counterparts are involved in implementation of the project and ownership and commitment in the quality improvement process. The approach promotes teamwork and cost-consciousness, and helps build steps to institutionalise a process of continuous improvement.

4.8 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.

4.9 In the second generation of UNDP-Iran's work on governance for the period 2004 - 2009, a programmatic approach has been adopted with inter-linkages and partnerships emphasized. For achieving these intended results and in response to nation priorities, a framework governance programme, in line with the Country Programme will focus on: 1) parliamentary development with the Majlis Research Centre; 2) promoting access to justice as a strategy to initiate user and demand driven judicial and justice sector reform; 3) support to decentralization, public administration reform, and capacity building for good governance for youth affairs; 4) strengthening the Islamic Human Rights Commission and national human rights centers; 5) promoting legal education; 6) empowerment of women; 7) strengthening the community of NGOs in a way to contribute to the realization of national development plans; 8) strengthening the independence, effectiveness and good governance of professional associations; and 9) corporate good governance.

4.10 The programme will help strengthen national capacities for a transparent and accountable governance system, adhering to the rule of law taking into account the government's commitments to the relevant international and UN conventions. This involves major governance institutions, such as the Judiciary, Legislative, and Executive branches of the Government, civil society organizations, academia, private sector, and professional associations.

4.11 Improving economic performance and employment generation. Country programme strategies in this area will focus on supporting the establishment of a

national framework for sustainable macro-economic planning for poverty and disparity reduction, linked to integrated community development programmes, targeting the poor, 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.

4.12 The programme will aim at introducing policy and programming perspectives to the government which can significantly change the long-term average low real per capita income growth rates in Iran (approx 2% over a twenty year period) along with high inequality (Gini .45), unemployment (recently 17%) and deprivation (poverty now at 17%) to levels and rates that are more in line with sustainable human development (SHD) frameworks.

4.13 The MDGs clearly reflect this strategy and outcome possibility. UNDP will support this through a programme, which clearly links macro-micro approaches and objectives to development (including the macro-economics of poverty reduction, the area-based development programme and the employment generation programme). UNDP's mandate is to ensure that sufficient advocacy and capacity building is undertaken in government institutions to achieve these aims – through pilot model initiatives, training and learning by doing.

4.14 On trade, as specified in MDG 8 - promoting a global partnership for development - UNDP supports access to best practices in trade diversification and analysis of globalization's impact on certain groups of the population, within the context of the country's competitiveness analysis and comparative advantages, taking into account debt, aid and investment scenarios. To enhance national capacities for trade and globalisation, a trade programme, in cooperation with national partners, identifies, among other things, the human development impacts of accession to the World Trade Organisation (WTO) through a participatory process; a suitable WTO accession strategy; and an effective employment-oriented export diversification strategy, along with identification of production areas and niche markets.

4.15 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.

4.16 Given the mandate, UNDP will help Iran incorporate sustainable development concerns incorporated into policies, plans and programmes (PPPs). Capacity development and advisory services would be provided to the country's decision-making system to employ assessment tools and instruments in an effective way to evaluate environmental, social and economic consequences of development decisions. This

should materialize, *inter alia*, through capacity development in the creation and enforcement of strategic environmental assessments (SEA) frameworks and guidelines that are conducive to incorporation of sustainable development notion in national decision-making forums and for sustainable development through public awareness and advocacy.

4.17 In disaster risk management, programmes will aim to achieve: a) strong disaster risk management capacity including enhanced community awareness and participation and enhanced coordination mechanisms among all stakeholders at local and national levels, b) development and application of early warning systems and hazard mapping for effective disaster risk management at all levels, and c) risk reduction integration into post disaster recovery programmes.

4.18 UNDP strategies are to develop and make disaster risk and risk management information easily accessible for advocacy and decision-making in Iran. Programmes will link disaster risk management policies to practice, by working at the local and intermediate level and demonstrating how disaster risk management actions are implemented. Pilot risk management projects across horizontal (across sectors) and vertical risk management stakeholders (national, intermediate and local level) with a focus on one natural hazard (earthquake) in an urban context will be implemented, supported by strengthened sub-regional linkages for disaster risk management.

4.19 The awareness generated by the Bam earthquake presents UNDP with a unique opportunity to initiate disaster risk reduction programmes that are complementary to the efforts of the Government and other organizations, that demonstrate the effectiveness as well as the “how to” of disaster risk reduction efforts and that can be replicated on larger scale in the country. UNDP’s existing partnerships with a range of national institutions will be crucial in operationalizing the “how to” part of disaster risk mitigation.

## **Part V. Partnership Strategy**

5.1 Effective partnership strategies are crucial for the achievement of the country programme goals through either joint programming, cost sharing where possible, provision of technical assistance, consolidation or achievement of synergies. Partnership strategies will use limited UNDP resources as seed money to leverage funding and/or sector wide approaches to gather multiplier effect dynamics, with resourceful bilateral or multilateral development partners in the donor community and the UN system.

5.2 In this regard, guided by national consultations and other discussions, the Government and UNDP intends to pursue an active partnership strategy working closely with other United Nations organizations, particularly ExComm agencies, bilateral institutions, government departments and institutions, CSOs/NGOs and private sector where appropriate, and the World Bank in implementing the new country programme. In full coordination with the Government, UNDP will seek programmatic linkages to national sectoral and thematic development partners’ groups and sub-working groups. The proactive engagement of UNDP through these partnerships and



coordination mechanisms will promote complementarities and synergies in support of national priorities.

5.3 United Nations system. Within the UN system, partnerships will be pursued within the UNDAF framework and through the UNDAF Theme Group platform, involving collaborative and joint programmes, joint monitoring activities, and annual programme review meetings, where appropriate. Within the framework of UNDAF, through parallel or joint programmes, the United Nations system partnership provides a package of technical and financial assistance within the UNDAF programme areas, in particular, in supporting national MDG efforts and the UNDAF implementation through enhanced synergies among agency country programmes. In particular, efforts will be made in pursuing programme partnerships and synergies especially in the pertinent areas of HIV/AIDS, MDGs, human rights and democratic governance, disaster risk management, and UN reform.

5.4 World Bank. The World Bank is opening a project office in the country, and given the potential programme synergies, efforts will be made to build the Government, UNDP and the World Bank partnership especially around poverty reduction policies. It can provide a channel for linking data and analysis gathered through the national poverty monitoring system to national efforts on poverty reduction, and to MDG reporting and advocacy. Specific partnership framework and mechanism will be reviewed and established linking with the UNDAF.

5.5 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 in good governance, disaster risk management, and poverty reduction. Partnerships with bilateral donors will be pursued in those areas where UNDP has a comparative advantage.

5.6 CSOs/NGOs, academic and research institutions. In full coordination with the Government, appropriate initiatives will be pursued to build and expand collaborative relationships with these actors at national and local levels.

5.7 Partnerships will be established through memoranda of understanding to engage resources jointly, and through annual work plans to commit resources and implementation responsibilities between the funding partner (in this case, UNDP) and implementing partners (government, UN agency, NGO where appropriate and agreed).

## **Part VI. Programme Management**

6.1 National execution has been the main modality for UNDP programme management, and will remain so for the proposed programme. The programme will be nationally executed under the overall coordination of Ministry of Foreign Affairs (Government Coordinating Authority). AWP describe the specific results to be achieved and will form the basic agreement between UNDP and each implementing partner on the use of resources. While working within agreed policies, the Government and UNDP may explore non-traditional execution and implementation modalities, where appropriate.

6.2 The Ministry of Foreign Affairs of Iran coordinates all external aid and carries overall responsibility for the coordination of the UNDP Country Programme. In coordination with of the Ministry of Foreign Affairs, the Management and Planning Organisation (MPO) is in charge of programme development, implementation, monitoring and evaluation of the Country Programme.

6.3 Based on lessons learned in the past, a trilateral working-level Country Programme Committee (CPC) will be established, comprising of UNDP, MFA and the Management and Planning Organisation (MPO). The CPC is charged with strategic formulation of development policy and direction for the programme, including strategic operational issues. The CPC meets regularly in joint strategy meetings to review progress in the implementation of the programme, resolve difficulties encountered by programme management teams, make changes to accelerate programme implementation and enhance impact and cost effectiveness. As a CPC's sub-committee, a National Project Directors (NPDs) Forum will meet regularly on programme and project management and implementation issues. The NPDs Forum is normally organised by UNDP in coordination with the MFA and MPO.

6.4 In full coordination with the Government, UNDP works closely with key partners in programme design and implementation. The country programme builds on the United Nations reform principles, especially simplification and harmonization, by operating in line with the harmonized common country programming instruments such as the UNDAF results matrix, monitoring and evaluation, programme resources frameworks the CPAP and the AWP. UNDP and the Government will sign project documents in addition to CPAP and AWP to implement programmatic initiatives. In line with the new joint programme guidelines, the scope of inter-agency cooperation is strengthened to cultivate new programme and geographical convergence.

6.5 Projects will be entrusted to agencies based on institutional mandates, comparative advantage and capacity assessments, which will determine the nature of the implementation arrangements. Based on the provisions of project documents, implementing agencies will be drawn from the Government Ministries and departments, UN specialized agencies, national research or training institutions, intergovernmental bodies, or NGOs, or private sector, or UNDP itself, as the case may be.

6.6 National execution capacity, however, will be assessed, and necessary measures will be taken to address existing gaps. The country office will continue to provide project support services at the request of the Government in areas where appropriate, such as international procurement. The implementing agency's capacity will be assessed by the CPC in accordance with standing instructions on capacity assessment, and reviewed annually to inform decisions on resource transfer.

6.7 Under this programme, audits will be organized as an integral part of sound financial and administrative management and of the UNDP accountability framework.

Audit observations/findings will be used together with monitoring, evaluation and other reports to continuously improve the quality of the activities and of management. Audits will be effected by a reputable audit firm with an established track record in this domain if the implementing agency is an NGO or a private sector enterprise or through established audit procedures in the case of Government or UNDP implementation.

6.8 Resource mobilization efforts will be intensified to support the Resources and Results Framework (RRF) and ensure sustainability of the programme. Mobilization of other resources in the form of cost sharing, trust funds, or government cash counterpart contributions will be undertaken to secure funding for the programme.

## **Part VII. Monitoring and Evaluation**

7.1 Monitoring and evaluation of the CPAP will be undertaken in line with the UNDAF results matrix and monitoring and evaluation plan. The Government and UNDP will be responsible for ensuring continuous monitoring and evaluation of the CPAP, with the view to ensuring efficient utilization of programme resources as well as accountability, transparency and integrity. The implementing partners will provide periodic reports on the progress, achievements and results of their projects, outlining the challenges faced in project implementation as well as resource utilization as articulated in the AWP. The reporting will be on a quarterly basis in accordance with the procedures and harmonized with UN agencies to the extent possible. There will be an annual programme review exercise, closely aligned and synchronized with the UNDAF review process, feeding into the joint strategy meetings. The exercise will also revisit the CPAP's results and resources framework and prepare for the following year's AWP.

7.2 The Millennium Development Goals Report (MDGR) will serve as one of the primary means for reporting on UNDAF activities. A linkage will be established between the indicators used to measure UNDAF outputs and the contribution of these outputs to the achievement of the MDGs.

7.3 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.

7.4 Revisions may be made to AWP's with the signature of the Resident Representative only, in the case of revisions which do not involve significant changes in the immediate objectives, activities or outputs of the project, but are caused by the rearrangement of inputs already agreed to or by cost increases due to inflation and provided he or she is demonstrably assured that the other signatories of the project have

no objection to the proposed changes. Periodic reporting will be carried out by the implementing agencies to ensure that Government and UNDP oversight of the programme and its components is consistent with the overall mission and vision of the UN's support to the Government of Iran.

## **Part VIII. Commitments of UNDP**

8.1 Regular resource allocation (TRAC 1.1.1) for the country programme for the Country Programme period 2005 - 2009 is foreseen at US\$5.85 million. Working closely with the Government and other relevant development partners, UNDP plans to mobilize an additional US\$60.45 million as non-core resources, subject to interest by funding partners. These resource allocations do not include emergency funds that may be mobilized in response to any humanitarian or crisis situation. These resource allocations will be utilized for policy advice, technical assistance, capacity building, systems development and knowledge generation and sharing.

8.2 UNDP will ensure coherence between the CPAP/AWP, UNDAF results matrix and MDGs, including M&E reporting. Through annual reviews and quarterly progress reporting, responsibilities between UNDP, the Government and implementing partners will be emphasized.

8.3 At the Government's request, UNDP will provide the following support services for activities in the CPAP:

- a) Identification and assistance with and/or recruitment of project and programme personnel; procurement of goods and services in accordance with the UNDP regulations, rules, policies and procedures;
- b) Identification and facilitation of training activities, including fellowships and study tours;
- c) Access to UNDP-managed global information systems, the network of UNDP country offices and specialized information systems, including rosters of consultants and providers of development services;
- d) Access to the support provided by the network of UN specialized agencies, funds and programmes.

8.4 Limited core resources will serve as a catalyst, but full implementation of the Country Programme will also depend 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.

8.5 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.

8.6 The Results and Resources Framework (RRF) constitutes the core of the CPAP. The CPAP RRF further elaborates the CPD RRF and is linked to the UNDAF results matrix. It spells out the key results that UNDP will be accountable for over the period of the programme cycle.

8.7 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.

## **Part IX. Commitments of the Government**

9.1 The Government will honor its commitments in accordance with the provisions of the Agreement concerning Assistance from the Special Fund, which was signed by the United Nations Special Fund and Iran, in New York, on 6 October 1959. The Government shall apply the provisions of the Convention on the Privileges and Immunities of the United Nations to UNDP's property, funds, and assets and to its officials and experts on mission for the United Nations.

9.2 The Government's contribution to the country programme would include:

- a) the total amount contributed by the government in terms of cash or other items;
- b) Support for UNDP in its efforts to raise funds required to meet the financial needs of the country programme;
- c) the organization of periodic programme review and planning meetings where appropriate; and
- d) the facilitation of the participation of development partners including donors and NGOs where appropriate and agreed;

9.3 As a contribution to the programme, Government Cost-Sharing funding arrangements with UNDP will be pursued.

9.4 Mechanisms for participatory planning, monitoring and evaluation of the country programme involving other development partners including the participation of CSOs where appropriate and agreed will be pursued. The Government will also organize periodic programme review, planning and joint strategy meetings and where



appropriate, coordination of sectoral and thematic development partners groups to facilitate fulfillment of programme objectives.

9.5 In addition, the Government will facilitate joint periodic visits for the purpose of monitoring, meeting beneficiaries, assessing the progress and evaluating the impact of the use of programme resources. The Government will make available to UNDP in a timely manner any information about policy and legislative changes occurring during the implementation of the CPAP that might have an impact in co-operation.

#### **Part X. Other Provisions**

10.1 This CPAP supersedes any previously signed CPAP between the Government of Iran and UNDP and may be modified by mutual consent of both parties on the recommendations of the joint strategy meeting/annual review meetings.

10.2 IN WITNESS THEREOF the undersigned, being duly authorized, have signed this Country Programme Action Plan on this day, 30 January 2005, in Tehran, the Islamic Republic of Iran.

For the Government of the Islamic Republic of Iran

For the United Nations Development Programme, Islamic Republic of Iran

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: Hossein Panahi Azar

Name: Frederick Lyons

Title: Director General for International Specialized Organizations, Ministry of Foreign Affairs

Title: Resident Representative, UNDP/Iran

## Annex I: Country Programme Action Plan Results and Resources Framework

<b>Expected UNDAF outcome #1: Strengthening the national capacities and capabilities for achieving the MDGs.</b>										
UNDP programme component	Expected Outcomes	Expected Outputs	Output targets and indicators	Potential Implementing Partners	Indicative Resources by programme component (per year, '000US\$)					
					2005	2006	2007	2008	2009	Total
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 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 site.	MPO/SCI: counterpart for monitoring and evaluation/statistical framework; Provincial authorities for implementation. CSOs, United Nations partners.	<i>Regular Resources</i>					
					50	50	50	50	50	<i>Regular resources: \$250</i>
					<i>i. Other Resources</i>					
					100	100	100	100	100	<i>Other resources: \$500</i>
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 through implementation of joint programme with the GFATM and policy influence, and awareness raising through involvement of people living with HIV.	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 PLWHA involved in awareness raising.	GFATM provides funding. United Nations agencies, Ministry of Health, NGOs and PLWHA and Sub-Recipients.	<i>Regular Resources</i>					
					50	50	50	50	50	<i>Regular resources: \$250</i>
					<i>ii. Other Resources</i>					
					3000	3000	3000	3000	4000	<i>Other resources: \$16 000 (GFATM)</i>
<b>Expected UNDAF outcome #2: Capacities strengthened for a transparent and accountable Governance system, adhering to the rule of law taking into account the Government's commitments to the relevant international and UN conventions.</b>										
Fostering democratic governance An effective parliament	Increased effectiveness of parliament (Majlis Research Center) to perform legislative and oversight advisory 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) Efficient passage of legislation in parliament.	Parliament's (Majlis Research Center) capacity strengthened. Advisory services on harmonizing national laws in accordance with the Government's international commitments. Demand driven institutional reform.	Number of legislation passed utilizing advisory services.	Office of the High Commissioner for Human Rights (OHCHR), United Nations Office for Drug Control, UNFPA, UNICEF, NGOs, Majlis Research Center, International Parliamentary Union	<i>Regular Resources</i>					
					100	100	100	100	100	<i>Regular resources: \$500</i>
					<i>iii. Other Resources</i>					
					250	250	250	250	250	<i>Other resources: \$1,250</i>

Decentralization and local governance	Legislation adopted to enable the participation of civil society organizations in 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 local participation enhanced The socially responsible role of the private sector enhanced. The effectiveness, independence and the professional associations enhanced.	Number of consultations performed with participation of local institutions and CSOs. Number of companies with clear social agendas/programmes Number of professional associations that can give credentials to new members.	Executive, Legislative and Judiciary, Ministry of Interior, academia, CSOs.  Bilateral donors.	<i>Regular Resources</i>					
					100	100	100	100	100	<i>Regular resources:</i> \$500
					<i>iv. Other Resources</i>					
					250	250	250	250	250	<i>Other resources:</i> \$1,250
Justice and human rights	Rule of law, related governance institutions and access to justice enhanced in correspondence with international human rights precepts. Indicator: (a) People's capacity to 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 the government's international commitments.	Access to justice enhanced Human rights culture and protection mechanisms enhanced.	Number of legislations and procedures adopted or mechanisms established to promote human rights. Human rights networks and human rights education. Progress in joining major international human rights mechanisms.	<i>Regular Resources</i>						
				100	100	100	100	100	<i>Regular resources:</i> \$500	
				<i>v. Other Resources</i>						
					100	100	100	100	100	<i>Other resources:</i> \$500
<b>Expected UNDAF outcome #3: Improved combined economic performance and employment generation by raising human capabilities and utilization of sustainable small-technologies, especially for the unemployed, poor, women, youth and small producer groups.</b>										
Poverty reduction and pro-poor policy reforms	(1) Higher urban-rural employment for the unemployed, women and youth, through community-based development. Indicators: Percent change in unemployment rate for target groups; Percent change in poverty for target groups.	Increased income and employment generation in deprived communities through the Area Based Development Programme. Sustainable human development and provincial-based Poverty Reduction Strategy document.	Number of ABDs undertaken; number of poor households covered – target 1000 per site; adoption of ABD best practices by provincial authorities.	MPO as the main counterpart and for monitoring and evaluation. Provincial authorities as co-funding and implementing partners.	<i>Regular Resources</i>					
					400	400	400	400	400	<i>Regular resources:</i> \$2 000
					<i>vi. Other Resources</i>					

	<p>(2) Enhanced production and market oriented skills for women and other low-income groups, with better access to resources, following better access to resources, best practices and sustainable technology. Indicators: Percent change in share of value added of low-income groups; Percent change in inequality; Percent change in skilled/technical trained people.</p> <p>(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.</p> <p>(4) National statistical/monitoring and evaluation framework for poverty alleviation. Indicators: quality of poverty and inequality statistics.</p>	<p>Reduction Strategy document. Approved National Framework for choosing sustainable technologies. Agreed civil society approaches to institutional and labor market reforms.</p> <p>Strengthened national statistical capacity for poverty monitoring; pilot LSMS survey in selected provinces.</p>	<p>authorities. Provincial-based poverty reduction strategy document.</p> <p>Adoption of a sustainable technology framework in the planning process.</p> <p>Number of CSOs and cooperatives supported for capacity building.</p> <p>LSMS surveys conducted; quality of poverty monitoring systems and statistics.</p>	<p>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.</p>	1000	1500	1500	1500	1500	Other resources: \$7 000
Trade and globalization	<p>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.</p>	<p>The national capacity on trade and globalization enhanced.</p> <p>Human development impacts of WTO accession identified through a participatory process.</p> <p>A suitable WTO accession strategy identified.</p> <p>Effective employment-oriented export diversification, along with identification of production areas and niche markets achieved.</p>	<p>Degree of contribution of local and national workshops to national policy on international trade.</p> <p>Percentage of participation from NGOs in the workshops.</p> <p>A suitable WTO accession strategy adopted.</p> <p>Degree of the impact on employment generation and other (relevant) human development components (could be calculated ex ante).</p>	<p>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</p>	<i>Regular Resources</i>					
					50	50	50	50	50	Regular resources: \$250
					<i>vii. Other Resources</i>					
					50	50	50	50	50	Other resources: \$250
<b>Expected UNDAF outcome #4:</b> Global environmental concerns and environmentally sensitive development integrated in national development frameworks and implemented.										
Energy and environment for sustainable development Frameworks and strategies for	<p>(1) Mitigating and adapting to climate change and providing energy for sustainable development. Indicators: Per capita CO2 emitted by target sectors.</p> <p>(2) Global environment commitments integrated into development planning and implementation capacity developed. Indicators: Number of national implementation plans developed and</p>	<p>Barriers to wide application of EE&amp;EC measures in industry removed.</p> <p>Technical, information, policy, institutional and market barriers to commercial wind energy addressed.</p> <p>Country enabled to fulfill its commitments as a signatory party</p>	<p>Amount of financing raised to fund EE&amp;EC technologies</p> <p>Number of new regulations on wind energy and market stimulation measures.</p> <p>Timely preparation and submission of country</p>	<p>UNDP and GEF, possibly bilateral donors, are co-funding agencies.</p> <p>United Nations Environment Programme (UNEP), Department of Economic and Social</p>	<i>Regular Resources</i>					
					100	200	100	100	100	Regular resources: \$600
					<i>viii. Other Resources</i>					

strategies for sustainable development Effective water governance and land management. Conservation and sustainable use of biodiversity	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 unemployed, poor, women, youth and small producer groups.	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.	submission of country reports to the COPs. Number of participatory models for sustainable use of biodiversity. Number of multi-sectoral and integrated watershed planning mechanisms	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.	4000	4000	4000	4500	4200	<i>Other resources:</i> \$20 000 (GEF) \$67 000 (government parallel funding) \$700 (MP)						
Crisis prevention and recovery	(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. (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 (3) Risk reduction integration in post disaster recovery programmes. Indicators: number of recovery programmes. (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.	Policies, legal and institutional frameworks implemented and coordination mechanisms developed; Human resource capacities enhanced at community, local, provincial and national levels. Subregional knowledge network established. Improved national and regional drought early warning systems. Higher standards of earthquake safety adopted in the reconstruction Increased resilience of livelihoods Preparation of a mine action strategy and capacity building for communities.	Number of published policy documents for seismic resistant building practices; Number of SOP manuals for cross-sectoral coordination in different phases of a disaster; Number of disaster risk management training programmes delivered and plans developed; Number of earthquake resistant building technology options introduced; Number of resilient livelihood options.	United Nations organizations, World Food Programme, United Nations Office for the Coordination of Humanitarian Affairs, UNICEF, UNFPA, and bilateral donors. Government departments such as MPO, Ministry of Interior, MUHC, national research institutions as funding and implementing partners. CSOs and NGO, academia as participating partners.	<i>Regular Resources</i>					200	200	200	200	200	<i>Regular resources:</i> \$1 000	
						<i>ix. Other Resources</i>					1000	1000	2000	1000	1000	<i>Other resources:</i> \$6 000