

United Nations Development Programme

**SECOND COUNTRY COOPERATION FRAMEWORK 2000 - 2004
OF THE ISLAMIC REPUBLIC OF IRAN**

Programme Review

Report prepared by:

**Bernt Bernander
Babak Davarpanah**

July 2003

TABLE OF CONTENTS

Second Country Cooperation Framework of the IR of Iran**Programme Review**

	<u>Page</u>
I. Executive Summary	3
II. Introduction	5
III. Programme Performance and Results	7
a) Poverty Alleviation and Sustainable Human Development	7
b) Economic and Resource-Based Management	10
c) Governance and Increased Participation of Civil Society	15
d) Special Programme Initiatives	18
IV. Management and Implementation Issues	21
V. Millennium Development Goals and Common Programming	25
VI. Assessment of Successes and Constraints	28
VII. Recommendations	30

ANNEXES

- 1) Terms of Reference
- 2) Resource Use, Targets, Funds mobilized, Delivery, by Source of Funds, Thematic Application and Executing/Cooperating Agencies
- 3) List of Persons Met
- 4) Programme categories used in the UNDP 2003 Work Plan

I. EXECUTIVE SUMMARY

1. The Second Country Cooperation Framework for the IR of Iran (CCF 2) is now in its fourth year, and less than a third of its allotted time frame remains before it elapses at the end of 2004. The present programme review coincides with the finalization of the UN Common Country Assessment (CCA). It can therefore not be dissociated from the forthcoming work on the preparation of the UN Development Assistance Framework (UNDAF) which should be completed by the end of the year.
2. Essentially, the CCF 2 has played the same role with respect to UNDP programming in Iran as the UNDAF will henceforth play in providing the source and inspiration for country programmes, operational plans and projects, not only those funded by UNDP but also by other UN agencies that are ready to move closer to the goal of common programming. The review should therefore yield some pointers as to how UNDAFs can be strengthened and constitute an authoritative guide for future programming work.
3. In recognition of the relatively small size of the programme in financial terms, the CCF 2 was quite specific on the thematic areas and strategic lines of support that should be pursued by the programme. There has however been a very wide spread in the size of project allocations between the four focus areas and their sub-categories. Due to the grants provided by the Global Environment Facility and under the Montreal Protocol, the thematic area embodying resource-based management and environmental concerns has consumed a full 77 percent of available funds, whilst the thematic area on poverty alleviation and sustainable human development has absorbed no more than 2.5 percent of available CCF 2 funding.
4. In a sense therefore, the programme has to a considerable extent been supply-driven, reflecting the fact that freely programmable TRAC 1.1.1 and 2 funds (including government cost-sharing) only represent some 23 percent of resources so far programmed under the CCF 2, the balance coming from special funds.
5. Due perhaps to the lopsided funding picture, or as a result of management considerations, the UNDP office has over time moved away from the CCF 2 thematic categorizations and realigned projects under different sub-goals or strategic areas. Partly for this reason, small project undertakings have tended to proliferate and there has been some consequent loss of programme focus.
6. For the most part, the Government has not been party to this shift in the structure of the programme, and the consultative machinery foreseen at the outset for reviewing periodically key features of the CCF 2, such as the need to revise programme categories, target areas or strategies, has not functioned as expected.

7. The Mission believes that the CCF 2 Steering Committee should be reactivated in the context of the new programming arrangements, as part of the UNDAF process. More purposeful use can also be made of the Local project appraisal committee within UNDP to ensure greater coherence in the formulation of the different project proposals put forward during the programme period..
8. Despite inadequacies in terms of programme management, the CCF 2 programme has some significant achievements to its credit. Building on the existing pressures within the Government for reform, it has been able to open up new avenues of cooperation that are very relevant to these reforms. In general, programmes are mutually reinforcing and have strong internal linkages, particularly in the focus area of governance. Many if not all of the programmes have good potential for upstream policy formation and center on advocacy, outreach and networking. The fact that potential outcomes have not always been realized does not necessarily mean that they should not have been undertaken. Several projects, especially those of the GEF Small Grants Programme, pave the way towards greater decentralization and show how local communities and NGOs can be engaged in development issues that are important to them.
9. The Mission believes that there is scope for consolidating programmes in the various areas of strategic support. This consolidation should be forward-looking and carried out in the course of the upcoming UNDAF formulation and the ensuing programming exercise.
10. In the Mission's view, programme response in the focus area of poverty alleviation is not judged commensurate with the scale of the problem or the priority accorded to it in the five-year development plan. In particular, geographical disparities can be tackled in a more determined fashion. This has already been recognized, and two major area-based development initiatives have been formulated for the most deprived provinces, Sistan/Baluchestan and southern Khorasan.
11. The recent completion of the CCA, and the upcoming preparation of the UNDAF proceeding almost simultaneously with the formulation of the Fourth Five-Year Development Plan, as well as the finalization of the Second National Human Development Report, offer the UN Country Team in IR Iran an excellent opportunity to take a major step towards common programming by the UN system. Full use should be made of this rare conjunction of programming events.

II. INTRODUCTION

1. The present review of the Second Country Cooperation Framework of UNDP in the IR of Iran (CCF 2) was slated to take place at the mid-point of its five-year course, in 2002. The programme is now in its fourth year and barely a third remains of its allotted time frame.
2. The delays that have occurred can however be used to advantage. The review coincides with the finalization of the Common Country Assessment (CCA). It can therefore constitute an input in the further work on the Development Assistance Framework of the UN system agencies (UNDAF), which in turn is being developed concurrently with the Fourth Five-Year Development Plan of the Government of IR Iran for the period 2005-2009.
3. As a medium income country, the IR Iran benefits from only minor allocations from UNDP core funds and it cannot count on substantial contributions from bilateral ODA sources. Inevitably, this means that the areas of international cooperation have to be selected judiciously and with the object of securing maximum impact and benefit for the economic and social development of the country.
4. Very deliberately, therefore, and within the country's overall agenda of achieving income growth with social development outlined in the Third Five-Year Development Plan, the CCF 2 selected three focus areas for cooperation, namely:
 - Poverty alleviation and sustainable human development
 - Economic and resource-based management
 - Governance and increased participation of civil society
5. In addition, and to provide a measure of flexibility, the CCF 2 incorporates a section on Special Programme Initiatives to pursue ongoing cooperative programmes of a regional character, in the area of disaster prevention, TOKTEN and TCDC.
6. Broad focus areas such as those of the CCF 2 are inevitably interrelated and encompass a number of cross-cutting issues, requiring careful analysis as to which entry points can provide effective results. They have accordingly been subdivided into strategic areas of support of more limited scope but susceptible of producing outcomes relevant to the overarching objectives.
7. The present review is not intended to examine each and every intervention within these areas of support and will necessarily be selective in assessing their relevance and impact potential. To the extent possible, it will attempt to highlight general procedural and developmental lessons to be learnt, on the basis of interviews conducted with UNDP staff and partner organizations.

8. The Mission has been materially assisted by two other evaluations, principally internal to UNDP. One is the Performance Audit of the UNDP Office in IR Iran, carried out in October 2002, and which deals mainly with administrative issues but also includes an assessment of the programme. Another useful report is the Outcome Evaluation of the CCF 2 Governance Portfolio, which took place in May 2003.
9. The Mission has also drawn substantially on the Strategic Results Framework (SRF) narrative and the accompanying Results-Oriented Annual Reports (ROAR) that are routinely prepared by UNDP. In addition, the draft CCA document and the National Human Development Report (1999) have provided valuable background information.
10. Despite the relatively small resource volumes deployed in the implementation of CCF 2, it is clear that Iranian institutions, governmental and those of civil society alike, set great store by the programme in terms of the access it offers to the experience, technical and organizational, made outside their own national confines. It should be a prime ambition of future UNDP country programmes to satisfy this near universal desire among Iranian institutions to learn of and, if appropriate, integrate this international experience in their own respective fields of endeavour.

III. PROGRAMME PERFORMANCE AND RESULTS

a) Poverty Alleviation and Sustainable Human Development

1. The CCF 2 focus area on poverty alleviation and sustainable human development is meant to address social concerns and income disparities. Project activities aim to support human development and job creation, through policy measures and interventions at grass-roots level, in the interest of balanced and equitable income, health and education for women and men.
2. It comprises the following strategic lines of direct support:
 - Poverty alleviation strategy
 - Human development support
 - Job creation
3. While poverty concerns are also present in other CCF 2 focus areas, projects falling under the above headings have absorbed a mere USD 547,000, or 2.5 percent of total CCF 2 allocations. The low allocation levels in this area of national priority however appears to reflect more a tentative pace of project agreement and implementation than lack of attention or intention.
4. In this section, the report deals in the main with poverty reduction through social mobilization, micro-credit and information technology, as well as the analytical backdrop to poverty that the preparation of the National Human Development represents.

<u>Portfolio of Projects</u>	1	2	3
a1. Poverty Alleviation Strategy			
Support to the Government Poverty Alleviation Plan	X		
Project Identification and Assessment for Sistan/Baluchestan		X	
Poverty Alleviation, Social Mobilization and Micro Credit	X		
a2. Human Development Support			
Information Technology for Achieving Sustainable Human Devt	X		
Second National Human Development Report	X		
Employment Generation	X		
a3. Job Creation			
Kilka fish processing		X	

1= ongoing 2 = completed 3 = pipeline

5. **Relevance of selected projects.** As a universally agreed upon goal of human centered development, poverty alleviation is well reflected in the Third Five-Year Development Plan, and an important point of converging consensus amongst all tendencies in Iran.
6. This gives immediate relevance to the support provided for the preparation of the second National Human Development Report (NHDR), to follow the publication in 1999 of the first NHDR, which was uniformly praised as a significant and independent contribution to the national debate on development issues.
7. Combating poverty, corruption and prejudice was the motto under which the Third Development Plan was adopted into law. As an oil exporter and middle income country, the IR Iran has not done particularly well in the distribution of its wealth. The alleviation of poverty is thus set to remain high on the agenda of the next Five-Year Development Plan, currently in its final drafting stages.
8. In the policy area, therefore, UNDP has given priority to its cooperation with the Management and Planning Organization (MPO) of Presidential office, as the focal point within the Government for poverty issues, to strengthen the hand of decision-makers within the organization, working on policy studies and indicator frameworks for monitoring poverty more effectively..
9. Along with other UN agencies, UNDP has also attempted to assist the social affairs division of MPO in addressing poverty where it is most acute, as in the Sistan/Baluchestan province, by introducing micro-credit in a pilot effort involving two selected communities.
10. While highly relevant to sustainable human development, the use of information technology is more difficult to translate into practical programmes and to keep it human-centered. Such projects suffer from an almost universal tendency to be hardware-driven and do not pay sufficient attention to content beyond language.
11. **Review of outputs and outcomes.** A wealth of information is of course available world-wide on existing micro-credit schemes, and the challenge lies in adapting them to local conditions and the situation of the beneficiaries. The UNDP project has had the benefit of the resources of the South Asian Poverty Alleviation Programme (SAPAP) in developing a local model. Successful pilots do not however automatically translate into policies or can immediately be considered for up-scaling. Micro-credit is not yet widespread practice in Iran, especially as the traditional charity/small loans organization (Gharzulhasaneh) is under scrutiny by the Central Bank. On the other hand, the liberalization of financial regimes and institutions is on the agenda, and this should eventually make for a better enabling environment.

12. Little progress has been made by the information technology project, which remained idle for a long period before agreement was reached on its signing. Even though the project has recently found an institutional home within the research bureau of MPO, implementation has not begun for lack of human resources and hesitancy with respect to the proposed methodologies.
13. Information and communication technology for development has its roots in early UNDP experience of telecentres and the technical advances that have made hardware and interactive image based software affordable and usable on a large scale. The incorporation of pro-poor policies in the use of ICT, enhancing local capacities, strengthening citizen participation and promoting entrepreneurship, will need to be continuously monitored.
14. **General Assessment.** By and large, CCF 2 activities within the focus area on poverty alleviation and sustainable human development reveal approaches that can best be characterized as tentative and timid. Despite the consensus on poverty as a national priority issue, this is possibly due to a lack of common language in the current policy dialogue on related matters; the discussion of poverty in the Common Country Assessment (CCA), for instance, points to a host of poverty dimensions and indicators, and it is sometimes difficult to come to terms on defining the various elements.
15. The first National Human Development Report, which went into three printings, was a timely contribution to the national debate. The second NHDR, using Dialogue Among Civilizations as a theme concept, is reportedly in final shape and also expected to have significant impact. The idea of institutionalizing the production of future NHDRs, through the creation of a Human Development Resource Centre, is at the same time firming up and likely to receive active UNDP support.
16. The results of the employment generation initiative, in cooperation with the ILO, have 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 cross-cutting element, not in quantitative terms but as a policy consideration which continues to be a top government priority.
17. A worth-while proposal to embark on a major area-based development scheme starting in Sistan/Baluchestan and southern Khorasan is now on the drawing boards and should go a long way in giving renewed vigour to the struggle against poverty, at least insofar as its geographical dimensions are concerned. To provide impact, area-based development programmes are typically resource-intensive. In the particular context of IR Iran, the Government will need to take a decisive lead, financially and organizationally, to see the venture through.

b) Economic and Resource-Based Management

18. The CCF 2 focus area on economic and resource-based management covers a wide spectrum of activities aiming for greater management efficiency, concomitant in part with the transition to a market economy. While seeking to achieve higher levels of employment and productivity, by establishing a more diversified productive base, this focus area places at the same time environmental concerns in the forefront of resource use.
19. It comprises the following strategic lines of direct support:
 - Improvement of economic management
 - Trade reform and promotion of non-oil exports
 - Resource-based management and environmental conservation
20. Programmes in this focus area have absorbed a lion's share of total CCF 2 financial allocations, amounting to USD 3,520,000. If contributions from the Global Environment Facility (GEF) and the Multilateral Fund of the Montreal Protocol (MP) are excluded, this amounts to 40 percent of CCF allocations. When these are added, the share of this focus area is an overwhelming 77 per cent of the total allocated, or USD 17,520,000.
21. This section examines the programme in economic management, which was in part inherited from the earlier Public management improvement programme (PMIP), as well as the environmentally oriented programmes in land and water use.
22. **Relevance of selected projects.** UNDP support in the macro-economic area began before the advent of the CCF 2, with the PMIP, which assisted the Iranian authorities, and in particular the MPO, in developing its capacity in the sphere of macro-economic planning and associated information systems, introducing at the same time concepts and criteria relevant to sustainable human development.
23. There is little question as to the relevance of the support provided; national five-year plans have tended to place emphasis on issues of economic growth, employment, sectoral strategies and investments, while neglecting the problems inherent in wide-spread poverty, the need for decentralization and for harnessing the energies of civil society.
24. Such concerns will be reinforced in the planned programme sequel providing for further cooperation in economic management. Again, the relevance of such activities is predicated on the prospective impact of the fourth national Five-Year Development Plan (2005-2009), whose formulation the project is designed to support.

25. The project Sustainable enhancement of non-oil exports (SENOX) concretized support in the second strategic area, reinforced with the introduction of computerized information systems in key trade institutions, such as the Advance Cargo Information System (ACIS) for the handling of non-oil goods. The relevance of such work resides in the vital need for Iran to diversify its export trade.

<u>Portfolio of projects</u>	1	2	3
b.1 Improvement of economic management			
Public management improvement programme (PMIP)		X	
TrainAir		X	
Telecommunications sector		X	
System of statistical registers			X
b.2 Trade reform and promotion of non-oil exports			
Industrial intellectual property		X	
Non oil exports		X	
Advance cargo information services (ACIS)	X		
Computerization of customs processes (ASYCUDA)			X
Tourism master plan		X	
E-Customs	X		
b.3 Resource-based management and environment conservation			
Sustainable land and water use, Hableh Rud river basin		X	
Panel of experts, land and water use		X	
Environmental impact analysis (EIA)		X	
Biodiversity action plan		X	
Climate change		X	
Iran contribution to World Summit on Sustainable Devt (WSSD)		X	
Caspian Environment Programme (CEP), Phase I		X	
Preservation of Asiatic cheetah	X		
Montreal Protocol	X		
Phasing out CFC 11 (Foam sector)	X		
Phasing out CFC 11 and 12 (Refrigeration sector)	X		
Carbon sequestration	X		
Industrial energy efficiency			X
Renewable energy			X
Wetlands conservation	X		
Environmental degradation costs			X
Strategic environmental assessment			
Oil spills emergency response			

1= ongoing 2 = completed 3 = pipeline

26. The third strategic area of support is exemplified by the long-standing effort to achieve more rational use of land and water resources in the country's watersheds, to arrest environmental degradation and ensure sustained livelihoods for large numbers of the rural population who depend on the resources of these river basins. The vulnerability and relative poverty of these populations make this effort not only relevant but imperative.
27. Project activities directed more specifically towards environmental issues are of equal relevance. A project designed to introduce systematic environmental impact assessments ended in 2002, and will now be followed by a project entitled Strategic Environmental Assessment, aiming at clarifying and regulating the impact of established policies in the environmental area.
28. **Global Environment Facility (GEF).** Grants from the Global Environment Trust Fund total USD 3,620,000 and have materially helped to move forward the CCF 2 environmental agenda. Projects have tended to concentrate on strategies and action plans to safeguard biodiversity and on identifying the causes of the ongoing degradation of sensitive mountain, wetland and forest ecosystems. Implicitly, such projects call for strong advocacy components and action to create public awareness. Similarly, interventions have served to highlight the problems of climate change and leading to discussions on the implications of the Kyoto protocol.
29. An important part of the GEF-financed portfolio is the Small Grants Programme (SGP), which is devoted to mobilizing community-based organizations, local councils and NGOs, in carrying out small scale projects in the five thematic areas of interest to the GEF/SGP. Over the past two years, 30 grants (of which 6 are planning grants) have been made, totaling USD 560,300, to which should be added co-funding in cash and in kind, by the Government and the communities themselves, valued at USD 732,000. In the initial period, allocations have been capped at USD 25,000, but this ceiling is likely to be raised in future.
30. A Steering Committee has been set up to consider project proposals. These are normally submitted through NGOs following discussions and agreement with the beneficiary communities. Over half of the grants respond to the SGP theme on biodiversity and are designed to protect endangered species of flora and fauna, the conservation and sustainable use of other resources, including marine resources. Projects are concentrated in the Caspian and Persian Gulf regions as well as in the Zagros mountain range.
31. **The Montreal Protocol.** In the course of CCF 2, the Multilateral Fund of the Montreal Protocol has budgeted over USD 10 million through UNDP to assist 46 manufacturing and refrigeration industries in converting their production lines to remove ozone depleting substances, using new technologies. The programme which has been executed by UNOPS, began about 10 years ago, with the strengthening of the competent government institutions, and started its investment

projects in earnest at the industry level only in 1999, once governmental oversight and other preparations had been completed.

32. Interventions at the enterprise level, together with those (the major part) implemented by UNIDO, are reported to have eliminated more than 80 per cent of the earlier use of CFCs. Iranian authorities have accordingly been requested to devise a comprehensive strategy for the complete phase-out of CFCs in the country. This plan is currently being prepared in association with GTZ and will be submitted to the Montreal Protocol by the end of 2003.
33. **Review of outputs and outcomes.** The Public management improvement programme (PMIP) was closed in 2002, having provided critical support in the formulation of the Third Five-Year Plan (2000-2004). Operating at the macro-economic level, the project produced a wide range of studies contributing to integrated planning, budgeting and information systems. One such study reviewed Iran's "welfare and poverty" situation, paving the way for further research into the issue of how best to target poverty and devise a unified system of monitoring indicators.
34. The project also helped orient the Plan towards calls for more decentralization, for greater citizen participation in the conduct of national affairs, and for promoting a culture of transparency and accountability in public institutions. It also provided a forum for expanding the UNDP/MPO partnership and can be said to have reinforced the Government's vision of more participatory development.
35. Hence a repeat exercise under the label Economic Management Programme has for some time been under discussion, aiming at assisting in the preparation of the Fourth Five-Year Development Plan. A consultancy mission is to be fielded in 2003 to formulate a new project, this time focusing on the macro-economics of poverty reduction.
36. In the area of diversifying the export trade, the project has achieved its objectives only in part. It produced satisfactory results in terms of institutional capacity-building and was instrumental in disseminating information and knowledge, through a vast workshop programme, publications and producer surveys, reaching out to some 27,000 traders and businessmen.
37. While several policy studies were followed up and enacted, the goal of producing an acceptable strategy for non-oil exports fared less well. The strategy paper devoted to this subject is reported to have produced more controversy than constructive discussion and has to all intents and purposes been shelved. Nevertheless the issue remains on the table and new approaches will be attempted to move forward.
38. The programme on sustainable management of land and water resources consists of four different project components dedicated to watershed management,

rangeland and desertification control as well as irrigation development, all within the Hableh Rud river basin. The projects were however separated geographically and managed by different central government departments. A fourth umbrella project was to provide coordination and help unify these efforts into an integrated basin plan susceptible of being replicated elsewhere.

39. Watershed development being a complex matter, an international panel of experts was twice convened to advise project authorities on the conduct of the programme; the panel pressed *inter alia* for greater integration and for establishing an institutional monitoring and evaluation mechanism. Joint management was eventually provided by the MPO which executed the umbrella project and wielded budget allocating authority in regard to the component projects.
40. In the end, this merging arrangement was unable to remedy the inherent weaknesses of the original programme set-up or to redefine individual project objectives, strategies and activities. Although the three projects have garnered much useful experience in addressing the problems of desertification and watershed management, notably in pioneering participatory approaches, their autonomy has seemed to defy all attempts at securing a common method; confusions and misunderstandings arose along the way, and no integrated management plan for the Hableh Rud basin has seen the light of day.
41. A new phase of the land and water programme is now in the works, with the approval of a project to reformulate the entire effort. This will be designed to develop a methodology that aims at producing a policy impact, using the Hableh Rud as a pilot for interventions in other areas. The final objective and outcome remains a basin-wide model for the sustainable management of land and water resources that can be applied, *mutatis mutandis*, to other watersheds.
42. **General assessment.** The record of project activities in the CCF 2 focus area of Economic and resource-based management is mixed. While there can be little argument about the relevance of the project activities undertaken, they have in several cases failed to produce the intended outcomes. Of the selected programmes, this applies in particular to the land and water use projects and to the diversification of non-oil exports.
43. At this point, 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 the case of the Montreal Protocol programme, it is expected that Iran can be declared free of ozone depleting substances by the year 2010.
44. 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.

45. The fact that programme outcomes in some cases have proved elusive does not mean necessarily that the effort has been wasted. Project activities embrace a variety of activities and outputs that have a bearing on cross-cutting issues, environment concerns, gender aspects and poverty among them. The land and water use projects have for instance devised meaningful ways of engaging rural communities in working to improve their own lot. The impact of such projects as forums of advocacy and in terms of creating awareness may not be measurable but is present and should not be discounted from the results.

c) Governance and Increased Participation of Civil Society

46. The CCF 2 focus area on governance and increased participation of civil society is designed to reinforce decentralized decision-making processes and community empowerment concepts and criteria, so as to provide an enabling environment for civil society in contributing to national development. It has the following subset of strategic areas of support:

- Expanding knowledge of human rights
- Transparency and accountability in the public sector
- Governance institutions and building NGO capacity

47. Though benefiting from third-party cost-sharing in several projects, the focus area on governance has been the object of only 5.5 per cent of total CCF 2 project allocations, or USD 1,267,000. If contributions by GEF and the Montreal protocol are excluded from total allocations, the figure is 14.5 per cent. In any event, relatively low allocations of this order call for carefully selected and targeted interventions. Notably, the recent outcome evaluation of this focus area gives high marks for the way the projects have performed.¹

48. **Relevance of selected projects.** The projects selected under the above headings have moved into new territory, as far as the UNDP in Iran is concerned, and are judged to be highly relevant to the economic and social reforms introduced by the Government in recent years. In the process, UNDP has forged new links with institutions that were not in the past traditional partners, such as the University of Tehran, the Iranian Parliament (Majlis), the Islamic Human Rights Commission and the Judiciary.

49. Their relevance resides in the impact they have, not only in the area of capacity-building but in advocacy and upstream policy-setting, with potentially far-reaching outcomes. As a group, the selected projects also have strong internal linkages and synergetic effect, bringing into focus cross-cutting issues, such as

¹) Governance Portfolio Outcome Evaluation, UNDP Iran, June 2003

gender perspectives, strategies involving organizations of civil society and even poverty. As such, they are in a position to draw effectively on the accumulated experience of UNDP in several of its “practice” areas and give vigorous support to its SDH strategies.

50. **Review of outputs and outcomes.** The two first projects off the ground involved the strengthening of the capacity for human rights research and training at the Faculty of Law and Political Science of the Tehran University, and capacity-building within the Majlis Research Centre.
51. The first project was instrumental in innovating and introducing Masters and Doctoral degrees in human rights at Iranian universities and, through the studies it generated, has contributed to the development of a human rights curriculum at the postgraduate level. Human rights were subsequently approved as a formal discipline by the Supreme Council for Higher Education. The Human Rights Information Centre created under the project has now evolved into a full-fledged Centre for Human Rights Studies, which is supported through a second phase project which started in 2002.
52. Project outputs in the form of fellowships and study tours, training seminars, technical studies and publications disseminated to other interested institutions have by all accounts produced the expected outcomes. While project results cannot alone be credited with advancing the human rights agenda, they have added to the pressures coming through the media, reformist trends in the national debate and the efforts of civil society organizations reflecting public opinion,

<u>Portfolio of Projects</u>	1	2	3
c1. Human Rights			
Human rights research and training		X	
Strengthening capacity of the Islamic Human Rights Commission	X		
Women's rights awareness	X		
c2. Transparency and Accountability			
Transparency and accountability in the public sector			X
c3. Governance Institutions and NGOs			
Majlis Research Centre	X		
CSO networking and resource centre (Capacity 21)	X		

1 = ongoing 2 = completed 3 = pipeline

53. The Majlis Research Centre provides advisory and information services to Parliament on legislative issues, in the areas of international conventions,

standards and practices as well as on procedural questions. Since the year 2000, workshops, research studies and study tours have been the main outputs; these serve to strengthen the capacities of the Centre whose analysts and research staff are supplemented by a network of outside consultants. Referrals to the Centre by parliamentary committees and individual parliamentarians are received on a daily basis.

54. UNDP support to the Centre for Judicial Training and Research is another capacity-building effort in the area of governance in tune with the Government's judicial reform programme. The project's ultimate objective is to provide greater access to justice for all citizens.
55. Activities are three-pronged; refresher courses are oriented to upgrade serving judges and other judicial staff through on the job training; second, distance learning training packages are being developed for targeted categories of judicial administrators, prosecutors and court assistants; third, an advocacy and public awareness campaign is to be conducted with the aim inter alia of encouraging reliance on alternative methods of resolving common disputes of a family or financial nature.
56. The project is in its early stages, and the intended outcome is both ambitious and difficult to measure except by qualitative yardsticks. The national project management however appears undaunted by any problems and confident that their work will make a difference.
57. Another interesting UNDP initiative is the support provided to the Islamic Human Rights Commission, an agency dedicated to the defense of human rights. The Commission is linked to a network of some 1,600 volunteer HR defenders in five regions of the country and, in ombudsman fashion, to handling complaints of human rights violations. To a degree, and while not backed by any enabling legislation, the Commission has official sanction as a national human rights watch, in that the three branches of government have a seat on its governing body. The prospect of obtaining government financial support in future furthermore appears good.
58. As the Commission is chronically under-funded and relies for the most part on private donations, its capabilities have been significantly bolstered by UNDP's support. Five workshops have been held to date for 800 HR defenders, who have been linked to each other in a burgeoning network. As part of project capacity-building, the network will be further reinforced through a computerized roster of contacts, the introduction of a web-page and through internet use, the dissemination of briefs, newsletters and publications as well as the participation of senior Commission staff in international human rights conferences.
59. Reportedly, HR defenders have expressed the view that the training has improved their knowledge of legal limits and advocacy procedures, making their work safer.

In terms of project outcomes, the number of HR complaints handled would also provide a useful indicator; the project however has not supplied any data on this score.

60. **General assessment.** The four projects accounted for in the preceding section, and others that are listed on p.14, have broken new ground in the cooperation between UNDP and the IR Iran, in areas that are central prerequisites for sustainable human development. Similarly, in the Iranian public discourse, they have provided added value to national institutions pursuing reformist policies.

61. Governance projects have also been productive in creating new partnerships with government agencies and civil society organizations. It is furthermore noteworthy that governance projects have attracted the interest of several bilateral donors; through cost-sharing contributions, they have thus given practical meaning to existing partnerships.

d) Special Programming Initiatives

62. The CCF 2 covers a variety of multi-sectoral and emergency projects under the catch-all category of special programme initiatives. This group of activities was

<u>Portfolio of Projects</u>	1	2	3
d1. Regional Programmes			
Capacity-building ECO secretariat		X	
Caspian environment programme, Phase I		X	
Caspian environment programme, Phase II	X		
d2. Disaster Prevention and Mitigation			
Preparedness and mitigation plan for natural disasters		X	
Enhancing national disaster response capacity	X		
Sub-regional seminar on drought mitigation		X	
Golestan floods	X		
Support to national mine action programme	X		
Umbrella TOKTEN			X
Poverty eradication and employment Sistan/Baluchestan		X	
Dough River Basin integrated rehabilitation			

1= ongoing 2 = completed 3 = pipeline

designed to give programme flexibility and scope for cross-sectoral concerns. International responses to disasters and emergencies are also slotted in this category.

63. In this manner, the CCF 2 has been able to address :

- Regional programmes
- Disaster prevention and mitigation
- TOKTEN, UNISTAR and TCDC programmes

64. The combined activities in this programme area absorb USD 3,560,000, or approximately 15 percent of total CCF 2 financial commitments, including funding under GEF and the Montreal Protocol. In this section, the disaster mitigation element is examined, given its regional implications; in addition, it considers the potentials of emerging "area based development" (ABD) programmes for Sistan/Baluchestan and southern Khorasan.

65. **Relevance of selected projects.** Iran is highly prone to natural disasters; earthquakes, droughts, floods and land slides regularly displace large numbers of people and casualties are often very high. The relevance of UNDP cooperation with the Iranian government over the last decade in disaster preparedness and mitigation is therefore beyond question.

66. UNDP experience in providing micro-credit and in bringing together disparate elements into a holistic approach to poverty reduction, including disaster mitigation, has principally been directed geographically to the province of Sistan/Baluchestan. The presence in this province of large numbers of Afghan refugees has given added urgency to transforming the ongoing inter-agency interventions into a more ambitious area-based development programme, an undertaking which is strongly supported by local district and provincial officials.

67. The decentralization and delegation process called for in the national Development Plan is another important factor favouring the design and implementation of area-based development in Sistan/Baluchestan, as a pilot for other regions in Iran.

68. **Review of outputs and outcomes.** Emergency relief and rescue operations are the responsibility of the Red Crescent Society of Iran, and UNDP programmes have been in support of capacity-building and contingency planning. The successful outcome of these programmes is only partially visible in results documentation, but has been plainly manifested with the adoption of the national disaster preparedness plan by the Cabinet.

69. The Ministry of Interior which coordinates disaster preparedness and chairs the task force dealing with national emergencies has expressed appreciation in the way this plan has been used to launch flash appeals for assistance from the

international community in times of distress. The results obtained from these appeals have helped build confidence in the process on the part of the Iranian government. Preparedness and mitigation should furthermore be seen as important poverty alleviation instruments, in that they can reduce the migration push away from areas struck by disaster to nearby cities.

70. **General assessment.** Special programme initiatives have been regarded as a supplement to other sections in CCF2, or as a place where to lodge cross-cutting 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. As noted in Sistan/Baluchestan, UNDP-supported activities however have often lacked the critical mass needed to achieve impact.
71. Area-based development, whether regarded as a special programme or a concerted attack on poverty, could help bring together the hitherto scattered elements into an effective and integrated whole.

IV. MANAGEMENT AND IMPLEMENTATION ISSUES

Programme Framework and Project Selection

1. Looking at the CCF 2 programme as a whole, the wide spread in the size of allocations directed to the three thematic areas is worth noting. Due to the grants provided by GEF and the Montreal Protocol, the focus area embodying environmental concerns (Economic and Resource-based Management) has been privileged financially to the tune of 77 per cent of total programme allocations in the CCF 2. At the other end, the focus area on Poverty alleviation and sustainable human development has absorbed a mere 2.5 per cent of total allocations.
2. To a considerable extent, therefore, the programme has been supply-driven. The freely programmable TRAC 1.1.1 and 2 funds represent less than a quarter of total resources programmed under the CCF 2.
3. Influenced possibly by the lopsidedness of this funding picture, by the need for a new logical structure or by management considerations (induced by the application of the Strategic Results framework, SRF), the UNDP office has over time moved away from the CCF 2 thematic categorization. Thus, the UNDP Work Plan for 2003² has realigned programme areas or goals in the following manner:
 - 1) Governance 2) Poverty 3) Environment 4) Special development situations
4. Under each heading, “sub-goals” or strategic areas of support have been identified. There however does not appear to be a clear hierarchy of sub-categories in the work plan presentation. The first heading, Governance, has six sub-goals, including one gender project on women’s rights, while Poverty and Environment have only a single sub-goal. Strategic areas of support are in most cases identical to the project designations or descriptions of outcomes.
5. Using the categories of the 2003 Work Plan, the fall-out of budget allocations is markedly different from that pertaining to the CCF 2 thematic areas, Governance absorbing 21 per cent, Poverty 11 per cent and Environment 56 per cent of total funds allocated, the balance being directed to special programme initiatives.
6. In addition, programmes and projects have been clustered around the even more generalized concepts of Equity, Efficiency and Empowerment, as it would appear in response to the need to match staff capabilities with programme portfolios more evenly.
7. Despite these shifts in structuring the CCF 2 content, UNDP Programme management holds that it has throughout respected the stated priorities of the

²) See Annex IV

CCF, and that any perceived departure from these priorities is in line with the CCF 2 flexibility caveat that allows action in response to special opportunities or urgent government needs.

The CCF Steering Committee

8. While the present CCF programme content may not have been materially affected by the employment of revised categories and subsets of these categories, the analysis that is brought to bear on the selection of projects is likely to become less stringent and in the end result in the loss of programme focus. The numerous project interventions on the programme books are a signal that such a process may have been at work, as a result of project selection criteria that puts pragmatism and flexibility ahead of adherence to the initial programme statement.
9. It can also have another consequence of perhaps greater significance, in that a meeting of minds becomes more difficult in the ongoing dialogue between UNDP and the principal Iranian counterparts, the MFA and the MPO. Advisedly, the CCF 2 foresaw the establishment of a Steering Committee, comprised of the MPO, the MFA and UNDP and chaired by the MPO, to oversee the implementation of the programme.
10. Any revision of programme categories that might have been called for should accordingly have been the object of deliberation within the Steering Committee. The Committee has however failed to function as first intended. It has only met twice since the inception of CCF 2, and the discussions, as minuted, have been devoted to the progress reporting of individual projects rather than focused on the overall programme, such as on the operation of cross-cutting themes, or on the need to revise strategies and targets.
11. The Steering Committee should now be reinvigorated. While meetings will require some preparation, there is a multiplicity of matters that can fruitfully be ventilated on how the principal programme components are contributing to achieving the stated outcomes and goals.

The Local Project Appraisal Committee

12. A ready instrument also exists in the in-house Local project appraisal committee (LPAC) that could be reformed to improve project screening and selection. Hitherto, this body has held regular meetings to examine project proposals in the form of draft project documents, but participation has been limited to UNDP programme officers and programme support unit staff. By all accounts it has functioned somewhat perfunctorily, looking mainly at the practicalities of proposed activities and related budget lines.

13. The usefulness of the LPAC could be enhanced by a more purposeful use of the accumulated insights not only of UNDP staff but of outside organizations that have an interest in the subject matter, such as representatives of cooperating government departments, of other UN agencies, and of any co-funding bilateral donors and NGOs.
14. To be effective, the LPAC should be involved in the very early stages, when project ideas surface at the level of concepts, with the tabling of fact-sheets and logframes that allow an analysis of their relevance and linkages in terms of programme focus areas and their treatment as part of the Strategic Results Framework (SRF). Proposals should then be revisited once they reach the project document stage.
15. LPAC agendas need not be limited to the scrutiny of pipeline projects but also review monitoring and evaluation reports generated by the different projects and programmes, especially important projects where specific M&E requirements have been incorporated in the project formulation.
16. The Committee could furthermore act broadly as an advisory body to the Resident Representative on general programme issues. In particular, the advent of the CCA/UNDAF provides an opportunity to apply a more integrated perspective of inter-agency linkages and targeting in terms of MDG benchmarks. Handled in this manner, the LPAC would be an effective instrument in strengthening old partnerships and in forming new partnerships with outside agencies.

Executing arrangements

17. National execution (NEX) has long been the preferred practice in Iran in implementing UNDF-funded projects. When projects funded under the Montreal Protocol and executed by UNOPS are discounted, NEX accounts for over 70 percent of all projects, calculated in money terms.
18. Despite the experience of many years, there is noticeably mutual unease, in UNDP and within cooperating government agencies, in the workings of NEX. A standard UNDP complaint is that excessive time is spent in assisting national project directors and managers in reporting routine financial operations, according to the prescribed formats. As reports become overdue and delay replenishments, the delivery of project inputs falls behind, and delivery rates are generally lower for NEX than for other executing modalities. On the programme side, substantive reporting is erratic and set reporting schedules are not adhered to.
19. The prevailing system of direct payments for project inputs by UNDP at the request of national project directors is gradually being replaced by the system of advance payments, and it is hoped that over time this will improve matters. The situation of national project managers is to a degree understandable, as they have

to follow national accounting rules for part of their operations and extraneous rules for another part. In some cases, the problem is compounded by the national manager having to follow the rules of accounting of a second UN agency, as UN agencies have so far failed to harmonize the procedures they use in relation to projects implemented by the government.

20. A revised NEX manual has now been completed by the UNDP Country Office, and is being introduced and explained through a series of workshops. At a recent seminar held with national managers administering projects in the area of governance, there was full attendance. There seems to be little alternative to systematic training of this kind.

Contingency planning for the Iraq crises

21. The UNDP office in Tehran believes that the attention given to contingency planning in connection with the crisis in Iraq, and earlier with the Afghanistan crisis, materially detracted from the attention that it would otherwise have devoted to national programme activities in Iran. Many of the omissions in monitoring and reporting can be ascribed to the priority given to planning for the anticipated inflow of refugee and to bolster the capacity of host communities to absorb these flows and in facing other disruptions.

V. MILLENNIUM DEVELOPMENT GOALS AND COMMON PROGRAMMING

Preparing the CCA and UNDAF

1. In the course of implementing the CCF 2, work has proceeded on the preparation of the Common Country Assessment (CCA). In contrast with what is prescribed in the relevant directives, Iranian counterpart authorities have not been involved in its elaboration and are now left to consider, amend and give approval to a more or less final text.
2. As the first exercise of its kind in IR Iran, it has also been a more protracted affair than expected, since the UN Country Team (UNCT) actually started this work in 2001. CCA formulation should normally be completed within six months. Disruptions are said to have been occasioned by the attention given to the implications for Iran of the Afghan and Iraq crises. The UN Country Offices are relatively small in staff terms, and there appeared not to be any meaningful urgent deadlines on the programming horizon.
3. These deadlines are now present. At the time of writing this report, the draft CCA is actively being reviewed by the Iranian authorities. In anticipation of their approval, the UNCT should take early steps to prepare the UN Development Assistance Framework (UNDAF). In this next phase, there is every expectation that the principal government agencies concerned, the Ministry of Foreign Affairs and the Management and Planning Organization (MPO), will fully participate in configuring the UNDAF document.
4. Their participation is essential as the preparation of the UNDAF will proceed in parallel with the Government's work on drafting the Fourth Five-Year Development Plan (2005-2009). It is furthermore important that any place given in the Plan to the Millennium Development Goals (MDG) be well reflected in the UNDAF, together with benchmark indicators and intermediate targets.

CCF 2 and the Millennium Development Goals

5. The CCF 2 was prepared before the World Summit Declaration in September 2000, and there is accordingly no reference to the MDGs in the document. This does not mean that the subject matter of several MDGs is absent; indeed, MDGs are very much part of the CCF 2 focus areas and strategic support, as is apparent from the presentations made in Section III.
6. Thus, the first focus area - Poverty alleviation and sustainable human development - is very much attuned to the first MDG to eradicate poverty and hunger. The seventh MDG to ensure environmental stability covers a CCF 2 strategic area of support dealing with resource-based management and

environmental conservation. The third MDG on gender equality and the empowerment of women is a cross-cutting preoccupation in virtually all CCF 2 focus areas, but has not been given due emphasis.

Millennium Development Goals in the CCA and UNDAF

7. Again, as with the CCF 2, the draft CCA document is not structured around the MDGs. While it covers all the related topics, the CCA for IR Iran has been prepared on the basis of guidelines issued in 1999, in which the various development commitments resulting from international conferences held during the 1990s were not a central aspect of the CCA/UNDAF process. Amended guidelines were issued in May 2002, giving much greater prominence to the MDGs.
8. The lack of references to MDGs in the CCA may not matter greatly, as the proper place of the MDGs can be fully accounted for in the forthcoming UNDAF document, following the completion of the Government's MDG Progress Report for Iran which is due in October 2003. An ad hoc inter-departmental working group has been set up by the MPO, chaired by its deputy head responsible for social affairs, to coordinate the preparation of the report.
9. It should be noted that no specific problems are in sight in incorporating MDGs in the UNDAF. In the last few decades the IR Iran has made decisive progress in the quest for universal primary education, for girls and boys, in reducing child mortality and in improving maternal health. In the period 1988 to 2000, the Human Development Index has moved from 0.65 to a level of 0.75. By its own national measure of poverty, the last ten years exhibit a clear positive trend. In brief, the country is within striking distance of fulfilling some of the more elusive MDGs.
10. The place accorded to MDGs in the UNDAF is a matter of presentation and balance. At one extreme, UN system support can be rationalized entirely in terms of MDG indicators and benchmarks; at the other extreme, the objectives of the national development plan will have pride of place and the MDG targets are regarded as incidental.
11. A likely scenario, in the case of IR Iran, is that the UNDAF formulation will be closely aligned with the priorities of the Fourth Five-Year Development Plan and that progress towards established MDG benchmarks will simultaneously be laid out to facilitate evaluation and monitoring.

UN System Common Programming

12. Along with the harmonization of programme cycles and administrative procedures, the CCA/UNDAF process was a keystone element of the Secretary-General's reforms of UN system operational activities at the country level, and ultimately designed to lead to common programming by UN agencies.
13. As the UN agencies present in IR Iran, in particular UNICEF and UNFPA, have already harmonized their programme cycles, the conjunction of the CCA/UNDAF process, the advent of the MDGs, and the production of the Government's Fourth Five-Year Plan now presents them with a unique opportunity to take a step further along the path of common programming.
14. In line with this concept, the UNDAF will be seen as the principal programmatic instrument for UN operational activities in the country, with individual agencies taking a share of the programme according to their respective areas of competence and comparative advantage, and scaled to the resources they are able to bring to the table.
15. The elaboration of country programmes, operational plans or plans of action would in this case have to follow a common time-table as foreseen in the latest directives on CCA/UNDAF and submitted for approval by the respective Executive Boards in mid-2004. The designation of these operational plans as country programmes or master plans of action is less important than the perception that they derive their relevance and legitimacy from the UNDAF.

VI. ASSESSMENT OF SUCCESSES AND CONSTRAINTS

1. **Programme coherence.** The programme enacted through the CCF 2 has some significant achievements to its credit. Drawing on the main features of the Third Five-Year Development Plan and building on the Government's incipient push for reform, even where these were held to be tentative, it has been able to open up new avenues of cooperation. The new strategies are well anchored in the situation analysis of Iran's excellent National Human Development Report from 1999; they are furthermore generally reflective of UNDP "practice" areas; they are in harmony with the thrust of the MDGs and could help move the Government's socio-economic agenda towards the goals of sustainable human development.
2. In general, the programme is internally consistent. As a group, the projects in the focus area of governance in particular have strong internal linkages, are in theory mutually supportive, though not always in practice, and stand a good chance of achieving expected outcomes.
3. Many if not all of the programmes have good potential for upstream policy formation, centering as they do on advocacy, outreach and networking. The fact that this potential has not always been realized, does not necessarily detract from their effectiveness, or imply that they should not have been undertaken. The projects devoted to improved land and water use are a case in point. Many strands weave into the formation of policy, and if they do not come together in a timely or synchronized way, the result is likely to be elusive.
4. The GEF Small Grants Programme (SGP) well exemplifies what can be achieved in support of the decentralization called for in the National Plan. Although it has only operated for two years, the programme already shows considerable promise as a demonstration of how local communities and NGOs can be mobilized and engaged in matters that are important to them. Should large area-based development in the provinces of Sistan/Baluchestan and elsewhere become a reality, the experience made by the SGP will be of material help to these enterprises.
5. **Need to enhance poverty impact.** No issue is of more critical importance to Iran's socio-economic development than the income disparities prevailing between the top and bottom quintiles of the population as well as geographically. The goal of reducing poverty and creating a more just and egalitarian society is in the nature of things a long-term challenge, but provincial disparities can often be tackled with greater prospects for early results. In this regard, the efforts of UNDP and UN system agencies, principally in the area of micro-finance, have hitherto been far too limited in nature.
6. Recognizing that tentative approaches would not have the desired impact, UNDP has put on the table a much more ambitious venture. There are now well-

- formulated area-based development schemes for Sistan/Baluchestan and southern Khorasan, which confront rural poverty head-on, using multi-sectoral approaches and ideally commanding much larger resources. UNDP and UNOPS have long experience of area-based development; key success criteria are a) locating a high quality programme management organization in the target area and b) giving a prime role in decision-making and implementation to district and village councils, and their development sub-committees..
7. **Unrealistic resource targets.** The CCF 2 started out with resource targets that with hindsight can only be described as inflated. The actual resources raised for the 2000-2004 period have turned out to be only 25 per cent of these targets. In the event, expected fund allocations from Global Environment Facility and the Montreal Protocol had to be cut back substantially, and the anticipated earmarking of over USD 50 million in government cost-sharing was very wide off the mark. The bulk of this contribution was foreseen for aviation safety and maintenance and did not materialize; more to the point, it should have been processed as a Management Service Agreement and implemented by UNOPS, rather than made part of the CCF 2.
 8. **Scope for programme consolidation.** Total financial resources for the CCF 2 have thus been in the order of USD 24 million. Despite the pressures on the formulation of new programmes that normally accompany low budget ceilings, there is some justification for the observation that projects have proliferated to the point of scattering the effort.
 9. There is, in the Mission's view, scope for programme consolidation in certain areas, as has now been forced upon the land and water resources sector. The fact that projects are administered by different government entities, or financed from different sources, is seldom a good reason for treating activities as separate projects. Rather, this makes for fragmentation. The preservation of the Asian cheetah or the Caspian crane are for instance part and parcel of the biodiversity action plan and could well be integrated in a single project.
 10. Programme consolidation need not necessarily be seen in terms of the focus areas and the strategic lines of support adopted in the CCF2, or attempt to modify yet again the various categorizations listed in the Work Plan for 2003. Any such process of consolidation should be forward-looking and linked to the further programming which is to take place as part of and subsequent to the work on the UNDAF.
 11. **Monitoring programme implementation.** The joint Government/UNDP machinery designed to oversee the implementation of the programme, i.e. the CCF 2 Steering Committee, has not functioned as intended and recommended as far back as the mid-term review of the first CCF in 1998. In order to reach a consensus as to what is expected of UNDP and the two government agencies concerned, the MFA and the MPO, it was agreed in the CCF 2 to finalize a

Memorandum of Understanding, which would guide the deliberations of the Steering Committee. No such MOU has however been concluded, and its status remains unclear.

12. The proposed MOU should now be revisited in connection with the formulation, follow-up and monitoring of the UNDAF. The UN Country Team under the Resident Coordinator's leadership should ensure that the several parties to a framework agreement such as the CCA/UNDAF as far as possible adhere to their obligations and use a common language when discussing issues relating to the programme. The passage of time otherwise risks blurring the programme dialogue and weaken the value of the UNDAF and the ensuing country programmes or operational plans as frames of reference.
13. The amalgamation and redefinition of programme categories, or the introduction of new strategic areas of support, as done unilaterally by UNDP in relation to the CCF 2, should be avoided. Routine scrutiny of new project proposals by the Local Project Appraisal Committee (LPAC) has been perfunctory. The role of this committee could be substantially enhanced by reviewing its terms of reference and turning it into an advisory committee to the Resident Representative on all programme issues. In this context, efforts should also be made to familiarize all stakeholders with monitoring and evaluation as an integral part of project implementation.

VII. RECOMMENDATIONS

The Mission makes the following recommendations:

- **On programme consolidation.** Apart from closing non-active projects, as is now being done, and to sharpen the programme focus, projects in the various strategic areas of support should be reviewed with a view to assessing their potential for programme consolidation, in line with UNDP practice areas and millennium development goals. The exercise should be used to bring gender perspectives more into the open, both as cross-cutting project components and as an issue in its own right. As suggested in paragraph 10 of Section VI, programme consolidation should be forward-looking and made part of the UNDAF process.
- **On geographical income disparities.** In order to achieve greater impact in confronting deprivation and relative poverty in specific areas, the Mission believes that the area-based development programmes formulated for Sistan/Baluchistan and southern Khorasan have considerable merit. As with the proposed project entitled Community-based Empowerment in Western Iran, another initiative using similar approaches, these programmes deserve to be moved into top gear.
- **On common UN system programming.** The recent completion of the CCA, and the upcoming preparation of the UNDAF proceeding almost simultaneously with the formulation of the next Five-Year Development Plan, as well as the finalization of the Second National Human Development Report, offer the UN Country Team in IR Iran an excellent opportunity to take a major step towards common programming by the UN system. Full use should be made of this rare conjunction of programming events.
- A key requirement is that the Government be closely involved in the UNDAF preparation, and that the time-table foreseen for the submission of the individual action plans or country programmes by the UN agencies can be respected, in line with the harmonization of programme cycles. This implies that all efforts should be made to complete the UNDAF before the end of the year.
- **On a new Memorandum of Understanding.** In the new context of the CCA/UNDAF process, the Steering Committee foreseen in the CCF 2 should be restructured as the prime forum for decision-making in relation to UNDAF, such as approval of the final document and subsequent work plans, the establishment of thematic groups and the institution of monitoring arrangements. The proposed MOU relating to the work of the Steering Committee should accordingly not be limited to UNDP but extended to all agencies that are party to the UNDAF.
- **On revitalizing the Local Project Appraisal Committee.** As far as UNDP's plan of action or country programme is concerned, the LPAC referred to in

Section VI should be revitalized and function as an advisory body to the Resident Representative on all programme matters. Representatives of any government, donor or civil society organizations concerned with items to be discussed should be invited to attend, strengthening existing partnerships and forming new ones. The Committee should be provided with new terms of reference detailing how project concepts and proposals should be examined.

- **On national execution.** The Mission endorses current attempts to familiarize national project directors and national project managers with the substantive and financial reporting requirements under national execution arrangements, and that refresher workshops be held as appropriate so that NEX procedures are internalized as far as possible. UNDP Programme Officers, while mainly dealing with substantive issues, should constantly emphasize to national counterparts that respect for financial and administrative procedures are in the end the best way to ensure smooth project implementation.