



FAO/GLOBAL ENVIRONMENT FACILITY PROJECT DOCUMENT

Countries:	Iran (Islamic Republic of)
Project Title:	Rehabilitation of forest landscapes and degraded land with particular attention to saline soils and areas prone to wind erosion
GEF Project ID:	3450
FAO Project ID:	610364
FAO Project Symbol:	GCP/IRA/064/GEF
GEF Agency:	Food and Agriculture Organization of the United Nations (FAO)
Other Executing Partners:	Forest Rangeland and Watershed Management Organization (FRWO) and Agriculture and Natural Resource Research Centers
GEF Focal Area:	Land Degradation (LD), Biodiversity (BD)
GEF Strategic Programs:	GEF's Strategic Program # 1 and # 2 for LD (Supporting Sustainable Agriculture and Rangeland Management and Supporting Sustainable Forest Management in Production Landscapes); GEF's Strategic Program # 4 for BD (Strengthening the Policy and Regulatory Framework for Mainstreaming Biodiversity).
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Estimated Completion:	February 2016
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Total Project Budget:	USD 11 007 134

RECORD OF ENDORSEMENT ON BEHALF OF GOVERNMENT

Country	Name	Position / institution	Date
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EXECUTIVE SUMMARY

The project development objective is to remove barriers to participatory integrated SLFM in the Islamic Republic of Iran by: (i) strengthening capacity of local communities, provincial and local institutions to plan, implement and evaluate participatory and integrated SLFM initiatives at the village and watershed scales (ii) adoption and implementation of the defined plans including sustainable alternative livelihood options with socio-economic and environmental benefits sustaining ecosystem services and (iii) enhancing capacity at local and national levels to mainstream these approaches into national plans, policies and processes. The project's global environmental objective is to reverse and reduce land degradation and biodiversity loss and their subsequent negative impacts on ecosystem health, goods and services, through increased capacity to plan and implement participatory integrated SLFM initiatives based on practical solutions addressing immediate and long term socio-economic needs while ensuring sustainable management of natural resources and sustained ecosystem services on watershed scale.

The project has four project components: (i) Participatory integrated SLFM capacity development; (ii) Implementation of participatory integrated watershed and village level plans in selected pilot sites; (iii) Improving the policy and institutional environment for participatory integrated SLFM approach; (iv-a) Awareness raising and dissemination of best practices and lessons learnt; and (iv-b) Project management.

Strengthened capacity of local communities, provincial and local institutions to plan, propose, implement participatory integrated management and evaluate SLFM initiatives - the outcome of the first component - forms the basis and will define the project intervention. This feeds into the project's second component where the participatory integrated village and watershed level plans are implemented addressing interlinked challenges of wind erosion, land degradation and biodiversity loss in selected priority sites within two project watersheds. This component will include identification, enhanced understanding and provision of incentives for maintenance of ecosystem services. The third component will strengthen capacity for participation and partnership between local resource users, provincial and national level decision making bodies, such as FRWO and other institutional stakeholders, including the Department of Environment, Ministry of Energy, Ministry of Mining etc, together with the private sector, to better understand and promote the participatory integrated SLFM principles and facilitate the review, updating/revision and implementation of supporting policies and regulations. This will be achieved through the establishment of a SLFM platform for local, provincial and national stakeholders involved in planning, decision making and implementation of SLFM plans. The projects' fourth component will support increased awareness among institutional stakeholders, decision-makers, researchers, university students and the public at large of the importance of the country's unique biodiversity and landscape. The multisectoral, cross-cutting nature of threats and constraints will be highlighted, possible solutions, best practices and lessons learned identified and disseminated in an effort to increase understanding and solicit the commitment of all stakeholders to the long-term health and sustainability of ecosystems and the services provided by them.

FRWO, through its Desert Affairs Bureau (DAB), will be the primary technical executing partner responsible for ensuring the overall achievement of project objectives, outcomes and outputs, with the technical and administrative support from FAO.

Total estimated funding for the five-year project is USD **11 007 134** of which GEF would provide USD **2 668 300**. Project implementation is planned to begin in March 2011.

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GLOSSARY OF ACRONYMS

APR	Annual Progress Report
AWP	Annual Work Plan
AWP/B	Annual Work Plan and Budget
BH	Budget Holder
BD	Biodiversity
CBD	Convention on Biological Diversity
CBO	Community Based Organization
CCA	Common Country Assessment
CC	Climate Change
CPAP	Country Programme Action Plan
CTA	Chief Technical Advisor
DAB	Desert Affairs Bureau
DOE	Department of Environment
EA	Executing Agency
EEA	Ecosystems and Economics Approach
FAO	Food and Agriculture Organization of the United Nations
FRWO	Forest, Rangeland and Watershed Management Organisation
FSP	Full Size Project
GDP	Gross Domestic Product
GEF	Global Environment Facility
GEO	Global Environmental Objective
GOIR	Government of the Islamic Republic of Iran
GNP	Gross National Product
HDI	Human Development Index
IUCN	International Union for Conservation of Nature
IPCC	Intergovernmental Panel for Climate Change
LD	Land Degradation
SLFM	Sustainable Land and Forest Management
M&E	Monitoring and Evaluation
MoJA	Ministry of Jihad Agriculture
NBS	National Biodiversity Strategy
NHA	No Hunt Area
NGO	Non Governmental Organization
NPD	National Project Director
NPM	National Project Manager
PIR	Project Inception Report
PDO	Project Development Objectives
PO	Project Office
PPC	Project Planning Committee
PSC	Project Steering Committee
PJAO	Provincial Jihad Agriculture Organization
PPG	Project Preparation Grant
PPM	Provincial Project Manager
PVRMC	Participatory Village Resource Management Council
TC	Technical Committee

QPR	Quarterly Progress Report
RIFR	Research Institute for Forest and Rangelands
RFLDL	Rehabilitation of forest landscapes and degraded land with particular attention to saline soils and areas prone to wind erosion
SAP	Strategic Action Plan
SLFM	Sustainable Land and Forest Management
ToR	Terms of Reference
TOR	Technical Office of Rangelands
UNCCD	United Nations Convention to Combat Desertification
UNDAF	United Nations Development Action Framework
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
VC	Village Council
VLP	Village Level Plan
WLP	Watershed Level Plan
WUE	Water Use Efficiency

1. BACKGROUND

1.1 General Context

Iran is one of the 70 developing countries in the world characterized by a low forest cover (with a forest cover of less than 10% of the country total land area). Forests play a recognizable role in contributing to food security and to the protection of watersheds and eco-systems. Yet, in Iran as is the case also in the Near East Region, forests are disappearing faster than in most parts of the world. This is caused by a number of inter-related factors among which are the inability and failure of most national forest and land use policies to effectively address the pressing and competing demand on forests and tree resources as well as lack of technical capacity and long term and harmonized investments in sustainable forest management.

Iran's forests include Hyrcanian or Caspian broadleaved forests in the North (1 905 000 ha), Arasbaran forests [150 000 ha] of North West; Irano-Touranian arid forests [2 895 000 ha] in the Central Plateau Region; Zagrosian forests [5 050 000 ha] and Persian Gulf and Sea of Oman tropical arid forests [2 400 000 ha]ⁱ.

The Irano-Touranian zone located in the north east of East Azerbaijan province covers 75 percent of Iran's land area, is home to 69 percent of Iran's flora and is registered in UNESCO's biosphere reserves list for its high biological diversityⁱⁱ. So far more than 775 plant species have been identified in protected areas here alone. Of these, 55 species have been reported for the first time from Iran. Irano-Touranian forests are characterized by evergreen junipers, *Quercus persica*, *Pistacia atlantica*, *Crataegus* spp and *Amygdalus* spp. The semi-desert areas are characterized by *Halocneum strobolaceum*, *Seidlitzia rosamarinus* and *Artemisa seiberi*, the steppe subregion by *Artemesia seiberi* and *Stipa barbata*, the semi-steppe by *Astragalus* spp and *Bromus tomentellus*, and elevated mountains by *Acantholium* spp, *Onobrychis cornuta*, *Astragalus adscendens* and *Ferula ovina*. This region has been the main habitat of some of the world's rare fauna such as red deer (*Cervus elaphus*, VU), tiger (*Panthera tigris*, EN) and the Persian Wild Ass (*Equus hemionus onager* VU) and the Persian Leopard (*Panthera pardus saxicolor*, EN).

The Hyrcanian forests are ancient forests of the tertiary period characterized by relic and endemic plant species including various vegetation landscapes from conifers to broadleaved to Mediterranean plantsⁱⁱⁱ. Characteristic species include *Quercus castaneifolia*, *Carpinus betulus*, *Zelkova carpiniifolia*, *Parrotia persica*, *Albizzia julibrissin*, *Buxus sempervirens*, *Buxus hyrcana*, *Danaë racemosa*, *Carpinus betulus*, *Fagus orientalis*, *Acer insigne*, etc. These forests are home to critically endangered leopard (*Panthera pardus ciscaucasica*), lynx (*Lynx lynx*), brown bear (*Ursus arctos*), wild boar (*Sus scrofa*), wolf (*Canis lupus*), jackal (*C. aureus*), jungle cat (*Felis chaus*), badger (*Meles meles*), and otter (*Lutra lutra*) and a key habitat for many different species of avifauna including little bustard (*Otis tetrax*), peregrine falcon (*Falco peregrinus*), and squacco heron (*Ardeola ralloides*). Rapidly expanding agriculture is considered as the main threat to these forests.

The Zagros are semiarid forests ranging northwest to southeast and parallel along the country's western border consists mainly of deciduous, broad-leaved trees or shrubs with a dense ground cover of steppe vegetation. The dominant species are oak (*Quercus infecturia*, *Quercus libani* and *Quercus brantii*.), pistachio (*Pistacia* spp.) *Astragalus* spp., *Salvia* spp., hawthorn (*Crataegus* spp.), almond (*Prunus amygdalus*), nettle tree (*Celtis*) and pear (*Pyrus* spp). These forests contribute significantly to water supply, soil conservation, climate regulation and socio-economical balance of the entire country^{iv}.

Approximately 85% of Iran has an arid, semi-arid or hyper arid environment and is home to 35 million people (43% of the country's population). They are also home to a unique biodiversity which has successfully adapted to surviving in these harsh conditions. Drylands of Iran along with its neighboring countries of the near East is an area of megadiversity for wild relatives and landraces of important food crops^v, fruit trees and pasture species such as dates, almond, olive, pistachio, wheat, fig, lentil, pea, vetch, sorghum and barley^{vi} which originated 10 000 years ago^{vii}. The agrobiodiversity in this region is most outstanding for inter and intra species genetic diversity and a high number of endemic species. Iran is also one of the main countries where natural stands of walnut trees (*Juglans regia*) still exist, mainly in the north and western forests of the country. Both natural stands and plantations manifest a high genetic variability (De Salvador, 1988^{viii}).

Iran is a priority country for *in situ* conservation of landraces of wheat and other crops of critical importance to food security (FAO, 2009^{ix}). There are also a wide range of underutilized crops such as foxtail millet, *Berberis* sp., *Crataegus* sp., *Cydonia oblonga*, *Diospyros lotus*, *Ficus carica*, *Malus orientalis*, *Mespilus germanica*, *Prunus cerasifera* ssp. *macrocarpa*, *Prunus spinosa*, *Punica granatum*, and *Rubus* sp^x. Most of these are still gathered from the wild or occasionally cultivated in home gardens. This genetic diversity and local knowledge of propagation and use is important key to global food security especially relevant in a world with increasing challenges from climate change, diseases, abiotic stresses and unabated human demands on agriculture^{xi}.

Iran is also host to a vast diversity of domestic animal species including 110 livestock and poultry eco-types^{xii}. It is also home to four of the six main honeybee species of the world: *Apis dorsata*, *A. flora*, *A. cerana* and *A. mellifera*^{xiii}. The value of the beekeeping industry on a national basis is IRR 32 963 953 000.

The agricultural sector accounts for about 26% of national GDP, more than 33% of employment, more than 80% of food supply and 26% of non-oil products^{xiv}. All agricultural lands are privately-owned, except a very small portion which belongs to government bodies (e.g. banks and agricultural complexes of the MoAJ). Crop production is practiced under both rain fed and irrigated conditions. Approximately 33 million hectares (m ha) of land in Iran has good capacity for cultivation. Of this approximately 18.5 m ha are cultivated presently, 8.5 m ha are irrigated (irrigated farming 5.2m ha, irrigated gardens 1.1. m ha and irrigated fallows 2.2 m ha) and 10 m ha are rain fed^{xv}. Out of the total 70 million tons of annual crops produced, more than 89.6 percent is from irrigated lands.

About 86.1 m ha (52.4%) of total land of Iran are rangelands^{xvi}. Studies on rangeland conditions show that only 6.34 m ha have >50% canopy cover, 20.69m ha have 25-50% canopy cover, and 56.05 m ha rangelands have canopy cover between 5-25%. More than 43.4 m ha of rangelands are in very poor to poor condition^{xvii}. Iran has 112 million heads of livestock including

approximately 8.2 million heads of cattle and almost 80 million small ruminants. Small holders and nomadic societies keep more than 70% of the sheep and goat population. Rangelands are being exploited 2.2 times above their grazing capacity^{xviii}. Iran considers livestock as an essential component for food security and actively promotes the development of the livestock industry. The sector has experienced a growth rate of 15-20% during the last five-year development plan.

Forests and rangelands are the sources for a range of other non-wood forest products (NWFPs) (in addition to pasture) such as dye extracts, medicinal and aromatic plants, exudates, essential oils, honey and edible foods, particularly nuts. The commercial value of NWFPs is estimated to be 12.8 billion Iranian Rials^{xix}.

In terms of provision of ecosystem services, Iran-Touranian scored the highest among all ecological zones^{xx} contributing significantly to soil formation, wind erosion control and for regulation of hydrological cycles. Appropriate management of the forest and rangelands could give additional environmental benefits in terms of reduced wind erosion and intensity and frequency of dust-storms, limit the loss of biodiversity, and improve water quality and quantity.

1.2 Institutional Context and Sectoral Policies

The Environment High Council (EHC) a multi-sectoral governmental body chaired by the President of the Republic is the ultimate decision-making and coordination mechanism for environmental affairs. It works to ensure integration of environmental policies into social and economic policies and plans. The Ministry of Foreign Affairs co-ordinates the country's environmental issues with the international community and is the GEF Focal Point for the country.

The Department of Environment (DoE) has overall responsibility for nature and biodiversity conservation, for implementing the National Biodiversity Strategy and Action Plan (NBSAP) and for meeting Iran's commitments to the CBD. DoE is headed by a Vice-President of the Republic, and reports directly to the President, placing it higher than most other ministries in the government administration. DoE provides the Secretariat for the EHC and the National Council for Sustainable Development (NCSA). The NCSA is responsible for mainstreaming of environmental issues into the work programmes of all government agencies and to follow up and achieve main objectives of the UNCCD. Iran's NBSAP builds on four strategic areas: Promotion of public awareness and participation; enhanced biodiversity information systems; sustainable use of biodiversity resources; biodiversity conservation integrated into development processes.

The DoE is responsible for managing and implementing most of the Protected Areas Network (PAN). There are now four categories of protected land: (in order of decreasing protection) National Parks, Wildlife Refuges, Protected Areas and No Hunting Areas (NHA). This system is managed through the DoE provincial offices, and in many rural provinces this is the main activity and objective of the DoE office.

The Ministry of Agricultural Jihad (MoAJ)^{xxi} plays a key role in natural resource management and rural development. MOA and MOJ were restructured in 1993 as part of the structural adjustment program to form MoAJ. Restructuring has not yet addressed the key problems of coordinated planning and organization of research and extension within MoAJ. Responsibilities of MoAJ include implementing physical infrastructure projects, controlling land-use on state-owned land (especially forest lands) and providing technical support to communities to improve agriculture and rural development.

The Forests, Rangelands and Watershed Organization (FRWO) of the Ministry of Agriculture Jihad (MoAJ) is the only implementing agency in charge of the management of natural resources including forests, rangelands, watersheds and deserts. Its main objectives are the protection, conservation, reclamation, development and utilization of forests, rangelands, forested lands, natural woods and coastal lands, as well as soil conservation throughout the country. FRWO is also responsible for protecting forests on the large areas of nationally owned forestland, and is responsible for many PAs, an area where its responsibilities overlap with that of the DoE. FRWO has a very wide network of provincial and district offices called the Natural Resource Offices (NRO) which works in close contact with headquarters in Tehran.

Other key agencies of MoAJ whose work is directly relevant to FRWO are: Research Institute for Forest and Rangelands (RIFR) - responsible for research, monitoring and policy preparation; Nomadic Affairs Bureau (NAB) - responsible for integrating nomadic concerns into other policies and related coordination, and for providing social services to nomadic communities; and the Department of Women and Pastoral Affairs (DWPA) – responsible for programmes to support women and women headed families in rural areas, including training and micro-credit programmes. Scientific support to FRWO comes from RIFR and universities offering courses and conducting research in natural resources management.

The Provincial Research Centers for Agriculture and Natural Resources are departments under the MoAJ involved in research based on provincial needs and relevant national priorities. They work with provincial extension departments, universities and directly with the farmers in farmer field demonstration sites. Research is needs based and could address issues such as multi-use rangeland species, appropriate agricultural practices, evaluation of irrigation practices etc.

Other key agencies involved in nature resource management include: The Water Organizations within the Ministry of Energy^{xxii} responsible for water management, including construction of water management infrastructure, and distribution of water to users. It has responsibilities related to catchments protection; The Cultural Heritage and Tourism Organization (CHTO), with responsibilities related to protecting cultural and natural heritage, and to promoting eco-tourism.

FRWO is the National Coordinating Body for the UNCCD. UNCCD's National Action Plan (NAP) to combat desertification and mitigate the effects of drought has four pivots: 1. Identification and control of factors contributing to desertification 2. Support for the sustainable use and management of natural resources through conservation and reclamation 3. Promotion of sustainable livelihoods in affected areas through job creation, income generation and the improvement of socio economic standards 4. Strengthening the role of rural communities in decision making, planning, designing, implementing, monitoring and evaluation of development projects. The NAP is integrated into the poverty reduction strategy (PRSP) and its principles and objectives are incorporated in the Outlook Program of the I.R. of Iran (2005-2025)^{xxiii}.

Financial resources in Iran are largely allocated through national programmes. The Management and Planning Organization (MPO) is responsible for approving all major national plans and programmes and for approving all budget allocations across agencies. The provincial MPO is responsible for allocations made from the provincial budget. Whereas programmes are generally approved in principle for five years, budgets are only approved annually in line with the existing annual budget^{xxiv}. MPO recently established the inter-ministerial Land-Use Planning Group in order to facilitate coordination of land-use at the national level.

Provincial Planning Councils in each province ensure the coordination of all nationally funded policies and programmes^{xxv}. All main government departments, including DoE and MoAJ, are represented on this council. In order to facilitate natural resources management and coordination across related sectors, these councils have established Land and Agricultural Working Groups (LAWG) in which the provincial FRWO and DoE take a leading role.

The sustainability of forests and rangelands is threatened by recently introduced policies, particularly the efforts to settle nomads and the support to the expansion of dryland farming^{xxvi}. In 1962 with the enforcement of the Nationalization Law for forests and rangeland management responsibilities were transferred from landlords to the government. This deemed pastoralists and farmers to obtain a grazing permit and follow rules and regulations to use the rangelands. However, the enactment of the law and range management plans where entitled pastoralists entered into a leasehold contract with FRWO with no letting fee with an assurance of extension of the 30 year term if the rangelands were managed in accordance with the instructions ensued in competition among herders who sped up to maximize the utilization of rangelands.

Iran's rangelands can support 37 m Animal Units (AU) for seven months but the current number is about 83 m AU. In 2001 FRWO developed a plan entitled 'Balancing livestock population with the grazing capacity of the rangelands' as stipulated in article 104 of the third NDP to control livestock population on rangelands. The plan was first of its kind in engaging all concerned departments in MoAJ including FRWO, the department of livestock affairs, the department of agronomy, the department of extension and public participation, the nomadic affairs organization and the RIFR to work simultaneously and in synergy with each other. The plan was designed for 10 years and started in 2002. Provincial FRWO offices draft small size range management plans called Saaman-Orfi (SeO). They are also involved in appropriate seeding and maintenance of rangelands, reconversion of low yield rain fed cereals to rain fed forage by providing subsidized inputs including seeds and fertilizers to reconvert the abandoned, low yield rain fed cereal farms to pastures, production of range seeds in seed orchards across the country including seeds of *Artemisia spp*, *Astragalus sp*, *Bromus tomentellus*, *Dorema aucheri*, etc; construction of contour furrows, ditches, pits, improving water supply by making storage tanks and establishing water points for livestock's to enable even distribution of livestock on rangelands.

Article 50 of the constitution defines environmental protection as a duty for all people, and prohibits any activity - economic or otherwise - that may result in irreparable damage to the environment. The Government has formulated a number of policies and action plans to operationalise Article 50 through different ministries. A number of national plans and policies exist, with significant annual budgets that aim to address land degradation and desertification in the country. They include plans and policies on: (i) Sustainable Management of Rangelands that aims to manage rangeland resources based on their grazing capacity; (ii) Watershed Management National Plan that includes provisions for formulation of watershed management plans and land-use planning; (iii) Water Resources Management Plan for use of water for irrigation, and industrial and household use; (iv) Tooba plan on agro forestry; and (v) Drought Mitigation Plan.

Iran's five year National Development Plans (NDP) is part of its "vision 2025", a plan for long-term sustainable growth. The NDP delineates Iran's principal environment development objectives, establishing linkages with cross-sectoral plans. The fifth development plan (2010–15) has guidelines for the socio-economic development of the country and has been designed to give the power to the people through delegation^{xxvii}. The fourth five year plan (2004-2009) stated the

importance of biodiversity conservation and emphasizes the government's commitment to implementing the NBSAP. Article 70 of the fourth NDP emphasis on government's duty to initiate the range management plan, giving due priority to designated nomad households in the framework of Nomad Settlement Scheme aiming at sustainability of natural resources, management of a grazing regime and protection of genetic reserves. Article 18 refers to the government's duty to prepare agricultural and natural resources management plan with due consideration to self sufficiency and sustainability and Article 69 highlights government's duty to formulate and implement the programme for conservation, reclamation, improvement, development and utilization of renewable natural resources.

The Forestry and Range Development Country Vision 2020 programme aims at forest rehabilitation and enrichment (management of 1 650 000 ha of degraded forests) and forest extension (4 000 000 ha of forest plantations, including irrigated plantations, urban and peri-urban forestry, agroforestry, sylvopastoral plantations). This long-term development vision includes: grazing management prescriptions over 23 million ha of summer rangelands; executing watershed management and range improvement activities on 2 million ha of rangelands; converting low yielding cereal dryland to intensive fodder and forage production fields over 1 million ha; balancing livestock numbers to rangeland carrying capacity; increasing forage production and supply; and promoting extension and participation in range rehabilitation and management; and promoting research on range management improvement. All of these are taken into account in the current project proposal.

The proposed project is in line with and fully confirms the priorities of above-mentioned national plans and policies.

1.3 GEF Eligibility Criteria

Iran has ratified the Convention to Combat Desertification (UNCCD) in 1997, the Convention on Biological Diversity in 1996 and the UN Framework Convention on Climate Change in 2005. I.R. Iran is therefore an eligible recipient of GEF funding. The project was endorsed by the GEF Operational Focal Point on September 30, 2007 and an official endorsement letter is attached in Annex 1.

The project addresses both Strategic Objectives (SO) for the Land Degradation focal area of (1) developing an enabling environment that will place SLM in mainstream of development policy and practices, and (2) upscaling SLM investment that generate mutual benefits for the global environment and local livelihoods. The project will contribute directly to Strategic Programmes 1 (SP1) on Sustainable Agriculture and SP2 on Sustainable Forest Management by (a) promoting a combination of policies to mainstream SLM measures and on-the-ground implementation and replication of good dryland management practices for sustainable management of land, forest and water resources; (b) balancing the overuse and conflicting uses of land and forest resources in arid and semiarid regions by working in communities with demonstration activities to address socio-economic needs and benefits derived from participatory integrated SLFM activities in selected villages and watersheds of the two project areas.

The project corresponds to Strategic Objective 2 of the Biodiversity focal area on 'mainstreaming biodiversity into production landscapes and sectors' through the strategic program of 'Strengthening the policy and regulatory framework for mainstreaming biodiversity'. This supports the removal of critical knowledge barriers, development of institutional capacities and establishment of policies and regulatory frameworks required to integrate biodiversity

conservation and sustainable use objectives into the activities of the production sectors. Through its focus on rehabilitation of forest landscapes, the project will also contribute to GEF's cross-cutting program on Sustainable Forest Management (SFM).

2. RATIONALE

2.1 Problems/Issues to be addressed

Soil erosion including wind and water erosion is considered as one of the most important elements of land degradation in Iran. Of the total land area in Iran, approximately 75 million ha are exposed to water erosion, 20 million ha to wind erosion, and the remaining five to other types of chemical and physical degradation. This has resulted in endangering two million hectares to infertility, two million ha exposed to salinity and one million ha threatened by other types of degradation^{xxviii}.

Soil salinity is a major limiting factor in agricultural development of Iran. It is a consequence of naturally occurring phenomena and anthropogenic activities. Soil salinization is more severe particularly in arid and semi-arid areas where an estimated 34 million ha is salt affected of which 4.1 million ha of land is irrigated. About 50 percent of the irrigated area depends directly or indirectly on groundwater, including spring water. The current annual rate of land loss due to waterlogging and salinity is about 0.5 million ha per year. Increasing water shortages has led to digging of deeper wells resulting in water with higher EC or salinity^{xxix}. Use of such saline water for irrigation abetted with high evapotranspiration is one of the main reasons for soil salinization. The annual economic losses due to salinization are more than USD 1 billion. Research indicates that integrated salinity management and mitigation approaches with involvement of the communities have the potential to successfully address the complex problems of salt-induced land degradation in Iran and facilitate in developing a greater understanding about the potential uses and markets of the agricultural products produced from salt-affected areas^{xxx}.

The main threats to land and forest resources in Iran identified in the project preparation phase are summarized in Table 1 below. Overexploitation of pastures, forests, biodiversity and soils are caused by inappropriate policies and management responses to the increasing pressure on natural resources caused by a combination of natural and human factors, such as increasing population pressure and climate change impacts.

Table 1: Threats and Root Causes to Land and Forest Resources in I.R. Iran

Threats	Root causes
High grazing pressure around villages & settlements in the rangelands and forests	Lack of effective management controls at local level; Higher AU per unit of range than marked for sustainability; Reduced mobility of pastoralists and lack of adequate water points.
Uncontrolled over-exploitation of	Breakdown/loss of traditional management systems and

biodiversity	inadequate land tenure policies
Deforestation for fuel wood	Shortage of energy supplies, lack of sustainable energy options, use of wood for construction
Advancing degradation (desertification) of vegetation and soils	Lack of appropriate management of vegetation (forest and range); Overexploitation of resources; Lack of soil rehabilitation technologies and practices for large scale rehabilitation, Increased salinity due to deep water irrigation
Unsustainable agro pastoral practices	Inadequate alternative livelihood options, lack of economic incentives for conservation, and inadequate access to markets and lack of marketing policies to support alternative products.
Inappropriate and destructive sustainable use models	Lack of integration of scientific and indigenous knowledge; Unavailability of and lack of access to relevant data; Lack of <u>participatory integrated approach in natural resource management</u> ; Lack in skills in planning implementing sustainable use of resources

The barriers to the removal of the abovementioned threats are:

Weak participation of local communities in government led initiatives and limited collaboration between sectoral agencies

A predominant underlying reason for unsuccessful rangeland and forest management, increasing biodiversity loss and accelerated land degradation is the lack of participatory and coordinated approaches between local resource users and different sectors and ministries involved in forest and land management resulting in lack of consideration of socio- economic needs in planning and an overlap between goals and activities of the departments and ministries ultimately leading to unsustainable results. Because of continuing “top-down” approaches, there continues to be a lack of integration of scientific and indigenous knowledge systems, for the development of successful and sustainable models of local level natural resource management. Resource managers and planners lack access to relevant knowledge and skills in participatory integrated approaches to SLFM.

Provincial agencies act alone to achieve their own goals, which may often conflict or not fully correspond to the goals of other agencies and provinces. For example, national policy in agriculture which supports highly subsidized wheat prices provides an incentive to villagers to grow hybrid wheat resulting in rapid conversion of land under native varieties of wheat (usually rain fed) increased planting of hybridized (irrigated and high input requiring) wheat. Water and water-catchment function are undervalued as are the impacts of chemicals on land and water. Similarly national policies that focus on large-scale engineering solutions to water management and do not sufficiently consider local needs and demand side management or catchment protection. Biodiversity, which is low on the agenda of most government agencies, also suffers from incoherent management and conflicting interests.

In spite of the climatic and genetic variety of plants in Iran, most improved agricultural plants are grown from high input requiring imported varieties. It is estimated that 1000 plant varieties have been lost because of lack of comprehensive management policies. Chemical fertilizers are used extensively even with availability of 20 million tons of manure per year which can be directed toward fertilizing agricultural lands. Lack of infrastructure and know-how are the predominant reasons for this lost opportunity to enhance soil organic matter and reuse local resources.

There is also a lack of linkages and avenues for transfer of knowledge between research institutions, policy making bodies and extension departments. For instance, despite considerable investment in research by institutes such as RIFR, provisional natural resource research agencies and the Gene Bank (research details in Annex 2) to work on various dimensions of the pastoral economy and agriculture such as role of indigenous vegetation, biodiversity significance and its role in dryland ecosystems etc., the resulting information has not been adequately applied to natural resource management policies, practices and programmes through establishing linkages with departments which would benefit from such research. Sectors, institutions and ministries work in parallel on problems that need harmonized and holistic approach to arrive at effective SLFM solutions.

Unsustainable agricultural practices

The increasing demand for high productive crops has pushed local populations to abandon the cultivation of native species, thus leading to a gradual depauperation of the original agrobiodiversity. Native species of wheat, fodder, and fruit trees have been abandoned for highly productive hybrids that require higher quantities of water. The replacement of native species is most often driven by market prices and demands, rather than by the assessment of the best suited varieties for the available environmental conditions.

While the government has recently capped the number of wells that can be newly dug, there is no limit on increasing the depth of older wells. This leads to salinization of soils. The inappropriate management of water has led to a general degradation of the range and agricultural lands and the rarefaction of native species. Small holdings of agricultural lands, an average of 2 ha per family, lack of technical skills to maintain water sources such as qanats and other water harvesting and storing mechanisms, lack of access to sustainable alternative crops add to increasing use of unsustainable agricultural and water use practices.

Unsustainable use of rangelands

After the passing of the Nationalization Law in 1962 traditional livestock-raising has changed in favour of more settled livestock production and farming. Range management plans by FRWO with 30 year lease agreements for rangeland use ensued in competition among herders who sped up to maximize the utilization of rangelands. This was abetted by increasing settlement of nomadic pastoralists by the government. As a result, former pastures in the plains and midlands have been either over-grazed or ploughed up, the water table is showing signs of long-term depletion, land is increasingly degraded, habitats for wildlife are being destroyed, and the equilibrium sustained over thousands of years is at risk

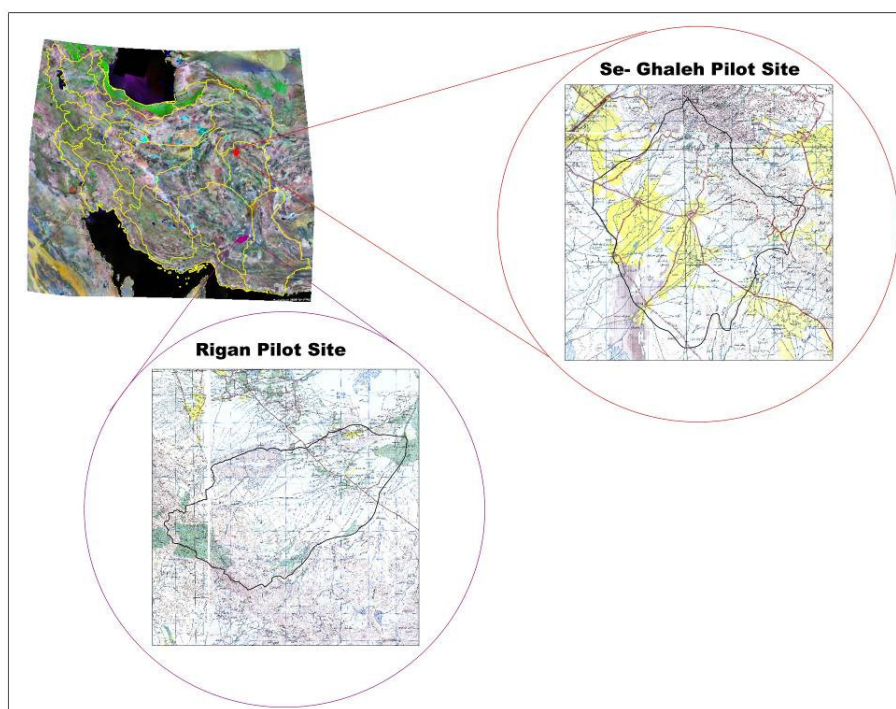
Lack of sustainable alternatives to resource use in forests and rangelands

Forests and rangelands are marked by increasing unsustainable use of wood and non-wood forest products mainly used for fuelwood, for construction material, medicine, pasture and food purposes. PPG studies indicated a lack of sustainable fuelwood options although there is high degree of awareness of use of solar energy for cooking. Lack of capital to invest and lack of technical skills to maintain such sustainable options deter its use. Similarly, harvesting wood for construction is cheaper and more easily accessed especially in remote areas. PPG studies indicate high interest among people to change, if provided with necessary economic and technical support.

The threats and barriers of land degradation and biodiversity loss in the arid and semi-arid zones of I.R. Iran are similar and comparable.

Description of the project areas:

The project sites of Rigan (Kerman Province) and Se Ghale (South Khorasan Province) are large landscapes, encompassing uplands (mountains, forests and ranges) and plains or lowlands with rangelands^{xxxii}, agricultural lands and forests (planted and natural). The project boundaries define watersheds, representative of typical arid and semi arid regions of I.R. of Iran subject to wind and water erosion, loss of biodiversity, droughts and ensuing challenges to SLFM. The two sites were identified in the PPG phase based on a set of general, ecological and socio-economic indicators (Annex 3). Details of these sites including geomorphic, Wind Erosion Hot Points (WEHP), vegetation and maps are presented in Annex 4.



Location of Se Ghale and Rigan in I.R. of Iran

The dramatic land degradation and loss of biodiversity in Se Ghale and Rigan project areas are primarily driven by overgrazing of rangelands (overstocking), overharvest of forest resources, poor agricultural practices and deforestation leading to increased wind erosion, moving sands and decreased watershed ecosystem services. These are in turn driven by the negative interrelationship of high dependence on natural resources coupled with poor resource management, poverty, ineffective policy implementation, and poor economic development, and more recently, climate change.

The project areas are characterized by arid and semi-arid ecosystems, with limited water resources, particularly in the lowlands. The main sources of income for local people are related to agricultural practices in the lowland areas and livestock husbandry in the uplands, where the terrain makes agriculture more difficult and higher availability of water allows for the presence

of free ranging livestock throughout the year. During the last ten years a significant decrease in precipitation was recorded in Eastern Iran, leading to the increasing abandonment of agricultural practices opting for livestock husbandry. This has resulted in a general increase in the number of grazing heads in the rangelands. Grazing in the uplands is regulated through seasonal grazing permits issued annually. Although the number of heads legally allowed in the rangelands and the uplands is estimated according to the carrying capacity of the area, the effective number of livestock grazing natural vegetation can be up to five times higher than it should be. Furthermore, the presence of excessive livestock and the limited precipitation makes the rangeland resources extremely poor, and the livestock is left grazing in the uplands well beyond the allowed period.

This results in an intensive and excessive grazing pressure in the overall area, leading to increasing degradation of vegetation and soil. Wildlife competes with livestock for the limited grazing resources and their movement tends to be shifted towards higher portions of the mountainous areas (e.g., wild goat and leopard). Species not particularly adapted to rough terrain (e.g., *Gazella bennettii*, *Gazella subgutturosa*, *Ovis orientalis*, Hubara bustard, partridges) tend to decrease in density, and are very often subject to illegal hunting activities. There are no estimates of the illegal hunting activities in the project sites, but given that the hunting permits bear a cost that is not always affordable by local people, it is believed that most of the hunting is performed illegally. Indications from local people suggest that in some occasions, hunters with legal permits come from other areas and pay local people for assisting them in their hunts. Birds and small game are often hunted as additional sources of food.

Many native plants in the project areas are known for having medicinal properties. They are used for many purposes, including cooking, health, cosmetics and industrial. See Annex 4 for a list of the multiuse plant species recorded during the preparatory survey in the project sites. Notwithstanding the traditional knowledge and skills of local people on how the medicinal plants should be harvested and processed, over use of these species, the lack of training on how to harvest plant parts without damaging the whole plant was reported frequently by local people during the preparation survey.

Wild trees such as wild almonds, pistachios, pomegranate, figs and species with specific use are harvested rampantly for fuelwood mainly for cooking, construction and consumed as food. Wood and non wood forest products are free and easily accessible, easy to transport, distribute and store and use of fuelwood has a cultural connection taste of food. Surveys undertaken during the PPG showed very little evidence of any sustainable system of firewood production; consequently, a substantial gap between fuelwood supply and demand from customary land exists, and the deficit is being met from forest and rangeland reserves. PPG surveys and stakeholder meetings showed that people were aware of alternatives such as gas and solar cookers, and were also aware (from experiences of UNDP's Carbon Sequestration project for example) of the differences in flavour of food cooked in these non-traditional but sustainable ways. They expressed willingness to adapt to these new technologies if the alternatives were easily available and they were trained in its use.

One of the challenges to increased food production in the basin is water scarcity, combined with large populations of people who rely on small-scale agricultural production for their livelihood. Food security is also challenged by increasing erosion of genetic diversity^{xxxii} through the destruction of natural habitats, intensification and expansion of cultivation and overgrazing in

natural rangelands. Overgrazing is especially threatening annual herbaceous species such as wild relatives of wheat, barley and lentils. For tree crops and their wild relatives, regeneration can be seriously impaired as a result of overgrazing. In addition food demands and market forces have encouraged the replacement of the locally-adapted varieties (landraces and local varieties) of both fruit trees and field crops with higher-yielding cultivars, hence hampering the gene pools of these crops.

At the time the project was conceived, government policy was highly focused on irrigated and mechanized rain fed cultivation. Little practically applicable provision had been made in either the national strategy, or in government policy and plans to develop and support smallholder production systems other than the policy which allowed for small farmers to plant the same crop together treating the small plots as part of a big plot. There are incentives to use this policy but it is not widely used due to socio-economic challenges and needs. At the same time, the PPG studies indicate that GOIR is concerned about people in drought-affected areas. The contribution of smallholder production systems were considered to be important for maintaining local employment and in contributing to national economic output and various plans had been put in place for food security. Yet, apart from government approval of some multilateral pastoral development projects, there was no national coordinated strategy to rehabilitate and preserve smallholder agro ecosystems. Switching from unsustainable agriculture practices to sustainable ones by adopting appropriate changes in cultivation practices, irrigation and cropping pattern is critical to address SLFM challenges.

2.2 Stakeholders Participation and Target Beneficiaries

The primary stakeholders and immediate target beneficiaries are the local people and communities living in the project watersheds and the local and provincial level governments. They will benefit from increased capacity to plan, implement and evaluate participatory integrated SLFM initiatives at village and watershed levels. Local stakeholders, including both women and men, who will be principal participants in the planning and execution of the various activities, bring with them their traditional, time tested and practical suggestions to address the challenges of land degradation, deforestation and loss of biodiversity. In the Provincial Natural Resources Management Office (NRMO) that will be actively involved in the project, other key public sectors, particularly those which are directly or indirectly dependent on these natural resources (agriculture, food-processing, handicrafts, tourism and other selected industries) will also benefit considerably from the project.

The Office of Nomadic Affairs (ONA), which works with the pastoralists, will also be consulted regarding migratory patterns and suitable fodder species. Migratory nomads, who spend about three months in the vicinity, will be provided with practical training on land rehabilitation and resource management. With the help of the ONA, they will be consulted on acceptable ways to exclude their animals from the planting areas during the establishment phase. One of the ways the nomad issue could be addressed is allocating specified and agreed areas to them during their migratory journey. A similar effort has been done in UNDP's Carbon Sequestration project^{xxxiii} and lessons will be drawn from that project. The villagers and migrant nomads are well aware of the proposed project activities and they see it as a way to provide improved grazing and a better environment for the area. Other stakeholders who will be fully involved in the project include the Village Islamic Councils (VIC), Department of Environment (DoE), Department of Energy and

Mining, local and national universities, the Government of I.R. Iran through the Ministry of Foreign Affairs.

The private sector should also benefit as opportunities arise for the participatory development and implementation of activities and initiatives within the integrated natural resources management. In particular, more cost-effective and pragmatic approaches to related issues will require the evolution of customized technologies and specific sales and services that can be developed and fine-tuned by the private sector as investment and business opportunities. For example, marketing produce from sustainable agriculture and NWFP sustainable harvests, processing and packaging, food processing, ecotourism, small and medium rural enterprises will require active involvement of the private sector. The project will get an in-depth understanding of the market and private sector interests through the market chain analysis envisaged in the earliest stage of implementation.

The civil society/NGOs will have a significant stakeholder role in raising awareness and promoting implementing of participatory SLFM, in and beyond the project sites and in developing linkages between RFLDL to human welfare and to sustainable resource management to maintain ecosystem services.

At the demonstration site level, RFLDL will focus on hands on community involvement for the planning, implementing and monitoring project activities in tango with the technical experts and provincial representatives. The project will focus on the capacity building requirements at all levels to enhance participation and elicit complete involvement from all involved. The communities will benefit from improvements in resource management and the sustainable maintenance of natural resources, both with regard to their living environment as well as their health and welfare.

2.3 Project Justification

The Baseline Scenario is one of partial, but continuing, land degradation, deforestation and loss of biodiversity in the absence of participatory integrated SLFM interventions. Without GEF support, there will not be any integrated and participatory support to reverse the negative impacts of unsustainable land and forest resource use including overgrazing, overharvest of forest and range resources and unsustainable agriculture which exacerbate land degradation and biodiversity loss resulting in decreasing critical arid semi-arid ecosystem services, such as decreased water, nutrient and soil retention, increased erosion, loss of biodiversity, as well as loss of natural resource based livelihoods. The baseline scenario will hence have negative impacts on forest cover, global biodiversity and land degradation with negative impacts on land and water resources, particularly by accelerating erosion, salinization, siltation, sedimentation and reducing hydrological functioning of the watersheds.

Under the GEF Alternative, land degradation and loss of biodiversity ensuing from unsustainable use of rangelands and forests will be addressed by removing barriers to participatory integrated initiatives in rangeland and forest management by strengthening capacity at local, provincial and national level to develop and implement participatory integrated SLFM plans at village and watershed levels and ensuring sustainable alternative livelihood opportunities to meet the immediate and long term socio- economic needs. The Alternative project, with GEF support, will help overcome these barriers through trust building, capacity building and establishing linkages

through a common SLFM platform to address diverse interconnected threats with practical, ecosystem and economic need based solutions. The Alternative will also cover the *gaps and missed opportunities* in the baseline strategy, notably opportunities for PES and establish linkages between PES, alternative livelihoods and adoption of sustainable solutions to address the current problems on a common SLFM platform for a sustainable future. The Alternative project will ensure a shift to environmentally sustainable development of arid and semi-arid areas of I.R. Iran's through participatory integrated SLFM initiatives.

Benefits generated under the GEF Alternative would include both national benefits (e.g., improved management of the rangelands, forests and natural resource base and reductions in resource use conflicts affecting their livelihoods) as well as global benefits. Global benefits include: (i) rehabilitation of rangelands and forests (ii) conservation of biodiversity; (ii) partial restoration of ecosystem integrity and recovery of its underlying functions and services; and (iii) promotion of use of appropriate technologies designed to reduce pressure on rangelands and forest resources and habitat in project sites. In addition, global benefits will accrue indirectly through: (iv) demonstrating cross-area synergies associated with the development and implementation of site-specific SLFM plans; (v) developing experiences and "lessons-learned" that could prove to be catalytic in shaping GOIR efforts to address SLFM practices; and (vi) dissemination of information useful to promote the regulation and provisioning of ecological services in key ecosystems of global importance elsewhere in the region.

2.3.1. The Alignment of Project Design with the original PIF

The full project brief is largely aligned with the four project components outlined in the PIF. The outcomes and proposed activities address the challenges to land degradation and biodiversity conservation described in the PIF and the components have been partially regrouped and renamed without losing the essence of outcomes to be achieved. Findings from PPG studies and stakeholder workshops shaped these changes during the project design.

The PIF components included:

1. Participatory SLFM in arid and semi-arid zone forests (Kerman Province);
2. Control of wind erosion through sand dune fixation (Khorasan Province);
3. Community based agro-forestry activities on saline soils (Yazd Province); and
4. Project Management.

The revised components include:

1. Participatory integrated SLFM capacity development;
2. Implementation of participatory integrated watershed and village level plans in selected pilot sites;
3. Improving the policy and institutional environment for participatory integrated SLFM approach;
- 4a. Awareness raising, dissemination of best practices and lessons learnt; and
- 4b. Project management.

PPG studies indicated that effective planning and implementation of the project with the allocated budget, the sites should be restricted to two provinces (Kerman and South Khorasan)

instead of three provinces (Kerman and South Khorasan and Yazd). The PIF intended to work on community based agroforestry activities on saline soils in Yazd Province. PPG studies showed ample opportunities for the same in Kerman and South Khorasan (e.g in Deh Riza village in Rigan, refer attached map). The project area now consists of Rigan site with a total land area of 587 461 ha located in Kerman province and Se Ghale site with a total area of 163 568 ha located in South Khorasan.

The PIF was projected to address the cross cutting focal areas of Land Degradation (LD SP-2 on SFM) and Biodiversity conservation (BD SP-3 on Terrestrial Protected Area Networks). However PPG studies indicated that the scope for creating new and extensive protected areas was limited. Studies indicated that consideration should be given to linking the project with the biodiversity focal area's long term strategic objective of mainstreaming biodiversity within production landscapes, as this would be a way to combine activities related to biodiversity conservation and restoration with field level activities aimed at controlling land degradation within croplands, rangelands and forest lands. Promoting biodiversity conservation and restoration within multiple use (crop, livestock and forest) production landscapes would be consistent with the GEF strategic long term objective of mainstreaming biodiversity in production landscapes (BD-SO2). It would also enable biodiversity conservation and restoration to be linked to the proposed sustainable land and forest management (SLFM) interventions aimed at combating land degradation and desertification within the croplands, rangelands and forest lands in the context of a broad watershed/landscape management approach.

While creating the right enabling environment is important, ultimately it is the land and forest users themselves that have to incorporate the concepts and principles of SLFM into their day to day land and forest resource use and management practices. This would entail acknowledging and addressing the socio-economic needs of the local people who are the primary resource users and under favourable settings, the best possible managers of these resources in the project design. More projects fail to make lasting impact, fail to elicit complete participation of local resource users due to this oversight or underestimate activities required toward making provisions and building capacity for sustainable alternative livelihoods based on local skills and resources, and early market analysis for the products to ensure sustainability of the suggested alternative livelihood. The RFLDL acknowledges the socio-economic–environmental connections as the crucial pivot and fully incorporates this into its second component. This component will also bring in the concept of PES making novel linkages between PES, alternative livelihoods and local peoples participation in the project activities. The target groups essentially remain the same as the original PIF intended. Components 1, 2 and 3 of the original PIF are now covered under Components 1 and 2 of RFLDL. Activities originally distributed in component 1, 2 and 3 related to establishing SLFM linkages and networks are now covered under component 3. This ensures that component 3 directs its efforts at improving the national and provincial level enabling policy and institutional environment for the promotion of SLFM within Iran.

The overall GEF grant request of US \$ 2 668 300 is the same as the original amount approved through PIF. The co-financing reflects increase of contribution of Government to reach the amount of US \$ 8 338 834 reflecting an in-depth assessment of the needs during project design (compared to total co-financing US \$ 4 600 000 proposed in PIF). The full project brief has built on and expanded the incremental reasoning outlined in the PIF.

2.4 Past and Related Work

Potential linkages between RFLDL and on-going and successful projects addressing SLFM issues in Rigan and Se Ghale (Annex 7) beyond the RFLDL project site will be elicited during the inception mission of project by drawing together details on project goals and lessons from implemented activities. RFLDL will benefit from the findings of on-going research conducted by RIFR and the Gene Bank (Annex 2) and provide opportunities for university researchers and students to participate in research through RFLDL project activities. A list of potential research interests are provided for example in Annex 6 based on PPG studies and workshops.

The project can draw lessons on participatory and integrated ecosystem approaches from GEF FSP's such as UNDP's Zagros, Iranian Cheetah and Wetlands projects implemented by the DoE. Lessons on local participation and efforts on establishing linkages with other departments and sectors, for example the effort in UNDP Zagros project to establish linkages between FRWO and DoE to achieve project goals will be especially relevant. This project has a direct linkage to the UNDP's Carbon Sequestration project in the desertified rangelands of Hossein Abad, now in its second phase not only because the project was implemented by FRWO and its project site is geographically in close proximity to the Se Ghale site in South Khorasan Province, but also because the Carbon project adopted a participatory approach in its activities. The Carbon Sequestration project will also have lessons to share in successfully eliciting participation from other ministries such as Ministry of Transportation which built access roads to villages, a critical requirement to reach products to the markets. This project can also find linkages with ongoing projects, such as Sustainable Management of Land & Water Resources Hableh Roud Basin (phase 2, UNDAF 2010); Integrated Management of Sistan Water Resources (Holland DLFT Institute & Iran Institute for Water Research), project on Integrated management of water resources in Urmieh watershed (through bilateral agreement with Holland Natural Resources, DELFT Holland Institute & Iran Institute for Water Research). These projects can provide valuable lessons on integrated management of water resources. Other project executed by FRWO in partnership with other agencies such as the Project on Benchmark & indicators of desertification in the I. R. Iran (FRWO, 2007), The Study on Application of Water Absorbents FRWO and UNCCD and the Study on Range Management in Shahmirzad-Semnan Iran by FRWO and UNCCD can provide lessons on rangeland management, desertification indicators and new techniques to increase water use efficiency, all of which are relevant to RFLDL.

FRWO's Desert Affairs Bureau and the Land Capability Mapping and Utilization Affairs Office are responsible for implementing the RFLDL and UNDP's project on 'Institutional Strengthening and Coherence for Integrated Natural Resources Management (INRM) that is funded under the MENARID Programme. The two projects are implemented in arid and semi arid provinces^{xxxiv} addressing similar land use patterns and barriers for SLFM and INRM: lack of participatory approaches, lack of knowledge and technical barriers to integrated approach and to alternative livelihoods. Generating and sharing lessons that emerge simultaneously from the different provinces tackled by each of the projects will provide opportunities for mutual learning between the projects and for creating a stronger enabling policy and institutional environment in Iran for INRM and SLFM. In order to enhancing institutional linkages within FRWO, the PSC (Project Steering Committee) of RFLDL will include a representative from the MENARID project's PMU (Project Management Unit) to enable and provide opportunities to share lessons and national and regional experiences. Both projects are unique in being the very first to introduce the concept of PES in Iran. The MENARID project addresses PES issues in the context

of tourism and soil conservation and the RFLDL approaches PES in the context of alternative livelihoods and participatory sustainable land and forest management. This provides opportunities for mutual learning between the projects. Moreover, FRWO is managing the two projects under the same national programme, which facilitates collaboration across the two projects.

GEF-SGP in I.R. Iran has addressed participatory biodiversity conservation and adopted integrated management approaches with success drawing in successful participation of local stakeholders and sustainable results after LOP. GEF-SGP has adopted the Farmer Field School Methodology and explored ways to integrate cross-cutting issues of land degradation and biodiversity conservation. RFLDL can draw hands-on lessons from these projects. Field visits to selected GEF-SGP sites (Annex 7) are envisaged during the implementation phase of the project.

UNIDO (<http://www.unido.org/index.php?id=6819>) in I.R. Iran has conducted extensive market chain analysis for its "Date cluster project". Lessons generated in this market chain analysis have direct relevance to the market analysis envisaged before the development of alternative livelihood plans in RFLDL. Linkages established early in the project phase with UNIDO will provide innovative ideas on alternative livelihoods in the project areas to address issues with date cultivation and marketing.

2.5 FAO's Comparative Advantage

Priorities of sustainable forest management, combating desertification and forest rehabilitation and sustainable management of natural resources are tied to priorities of reducing hunger and poverty. FAO's Strategic Framework has two strategic objectives strongly linked to this project: (1) Sustainable management of forests and trees; and (2) sustainable management of land, water and genetic resources and improved responses to global environmental challenges affecting food and agriculture. This project contributes to the implementation of FAO organizational results linked to these objectives: (a) Sustainable management of forests and trees is more broadly adopted, leading to reductions in deforestation and forest degradation and increased contributions of forests and trees to improve livelihoods and to contribute to climate change mitigation and adaptation; (b) Environmental values of forests, trees outside forests and forestry are better realized; strategies for conservation of forest biodiversity and genetic resources, climate change mitigation and adaptation, rehabilitation of degraded lands, and water and wildlife management are effectively implemented. These FAO objectives and organizational results are linked strongly to GEF's strategies and programmes.

The project will benefit from FAO's large and proven experience and expertise and lessons learnt from programmes led and implemented over a great number of countries on arid zone forestry including the guidelines for good forestry and range practices in arid and semi-arid zones of the Near East; fighting sand encroachment, rehabilitation of degraded forest lands, collaborative work on watershed management. The project will also benefit from the knowledge and expertise of the FAO interdepartmental working group on desertification and the LADA GEF programme. Other specific areas of comparative advantage most relevant to the project include, inter alia: i) sustainable management of natural and planted forests, including forest health and wildfire prevention and control; ii) sustainable land management and the promotion of sustainable agricultural practices; iii) climate change mitigation in forestry through carbon sequestration, substitution and conservation; iv) conservation and sustainable use of plant and forest genetic resources; and v) conservation and sustainable use of biodiversity important to agriculture;

vi) non wood forest products; vii) biodiversity conservation, wildlife and protected areas management.

The project will benefit from FAO-IR's experience in preparation of Framework for Sustainable Agriculture Development Strategy (2005), the National Strategy and Action Plan on Drought Preparedness, Management and Mitigation in the Agriculture Sector (2007) to seek enhanced investment in agriculture, especially, at the value-chain level, to increase income and employment opportunities for the rural poor and successful introduction of novel participatory approach of Farmer Field Schools to promote organic agriculture and integrated pest management. This method is widely adopted by agencies such as GEF-SGP in their interventions in I.R of Iran and will be used in demonstration sites in RFLDL.

2.6. Country Drivenness

The project is aligned with National Desertification Plan, the main objective of which is to combat land degradation and mitigate the effects of drought through the promotion of sustainable development in order to improve the living conditions of the affected people and strengthen capacities in all levels for combating desertification. The project is also consistent with the National Strategy for the Mitigation of Climate Change in (i) mitigating potential of the forest ecosystems and other activities connected to land use, putting special emphasis on those rural projects that involve the carbon storage and/or sequestration, and connect natural resources and energy sectors, in particular those that protect forest ecosystems in watersheds and support its ecosystem services; (ii) evaluation of technological options and changes in behaviour of relevant actors to obtain the same end; and iii) analysis of the vulnerabilities and opportunities that the different regional circumstances present; design, formalization and operation of mechanisms that permit the orientation, implementation and evaluation of the formulated strategies.

The project is consistent with the National Strategy on Biodiversity specifically relating to (i) political-institutional structure- by establishment of cross linkages in inter-jurisdictional institutional mechanisms for coordinating policies, norms and actions of conservation and sustainable use of the biological diversity; (ii) sustainable use of biological diversity- in terms of generating, disseminating and encouraging experiences of sustainable management with a focus on ecosystems and populations (iii) biodiversity conservation by establishment of planning mechanisms at the level of eco-regions; and (iv) national capacities relative to the biodiversity - in terms of the development and application of economic instruments.

The proposed project envisages co-operation between FRWO of MoAJ in charge of the management of natural resources including forests, rangelands, watersheds and deserts which is the National Coordinating Body for UNCCD, and UNCCD's National Action Plan (NAP) to combat desertification and mitigate the effects of drought and the DoE which has overall responsibility for nature and biodiversity conservation, for implementing the NBSAP and for meeting Iran's commitments to the CBD including the responsibility of managing and implementing most of the Protected Area Network (PAN). MoU's for co-operation between FRWO and DOE at the provincial levels are attached in Annex 5.

3. PROJECT FRAMEWORK

3.1 Impact

The project has been designed to address the main threats to land and forest resources in Iran and remove key barriers to SLFM. The goal of the proposed FSP is to restore and enhance the biodiversity and the capacity of degraded forest landscapes and lands to deliver expected goods and services for sustainable livelihoods, food security and combating desertification by promoting participatory integrated SLFM initiatives at watershed level in two target provinces and enhancing national and local capacity to support the widespread implementation of these initiatives across other arid and semi-arid zones of Iran.

The project objective (PO) is to remove barriers to participatory integrated SLFM by: (i) strengthening capacity of local communities, provincial and local institutions to plan, implement and evaluate participatory and integrated SLFM initiatives at the village and watershed scales (ii) adoption and implementation of the defined plans including sustainable alternative livelihood options with socio-economic and environmental benefits sustaining ecosystem services (iii) enhancing capacity at local and national levels to mainstream these approaches into national plans, policies and processes.

In its design, the project offers a model for meeting multiple objectives related to forest and rangeland rehabilitation and biodiversity conservation at a watershed scale through participatory integrated SLFM initiatives. The development of sustainable management plans and approaches in areas where land use patterns are leading to the increased forest and rangeland degradation, loss of biodiversity, decrease in ecosystem services and loss of carbon sinks can contribute to an understanding of the link between rangeland and forest management and restoration, biodiversity conservation, carbon storage, socioeconomic improvement, while diminishing the net negative effect on ecosystem services.

3.2 Outcomes and Outputs

As it is showed in the Annex 10, the project aims to achieve the following 4 main outcomes thus contributing to removal of the main barriers to SLFM in I.R. Iran: 1. Strengthened capacity of local communities, provincial and local institutions to plan, implement and evaluate participatory and integrated SLFM initiatives. 2. Status of forests and range improved severity of wind erosion decreased and sustainable management of natural resources. 3. Enhanced capacity at local and national levels to integrate SLFM into different institutions and across sectors, and 4. Project managed and evaluated effectively and lessons learnt disseminated

Component 1. Participatory integrated SLFM capacity development

Outcome 1. Strengthened capacity of local communities in 45 pilot villages ,provincial and local institutions to plan, implement and evaluate participatory integrated SLFM initiatives.

This outcome of the first component ‘Participatory integrated SLFM capacity development’ forms the foundation upon which the project will be built. This component addresses the main barrier, lack of capacity to plan and implement participatory integrated SLFM initiatives. Capacity is required to achieve long term success in addressing land degradation and biodiversity loss in forest landscapes and degraded lands.

The outputs of this component are: 1.1. At least 200 people of the population in each of the two watersheds and 70% of the provincial staff including men and women trained on SLFM; 1.2. Six (6) participatory Village Resource Management councils established; 1.3. Forty-five (45) village level plans and (two) 2 watershed level plans formulated; 1.4. Rural Development Funds established for at least 30 pilot villages (1 rural development fund per pilot village).

The activities: An inception workshop will be organized at the very beginning of the project implementation phase to assist the project team to fully understand and take ownership of the project's objectives and prepare its first workplan based on the project's results framework. The inception workshop will be followed by rapid assessments of project sites by experts and locally hired consultants to identify village clusters suitable for implementation of watershed level plans. Baseline assessments of these village clusters will result in identification of approximately 30 villages in the project site of Rigan and 15 villages in the project site of Se Galeh where village level plans will be formulated and implemented. Participatory Village Resource Management Groups (PVRMG) and Village Councils (VC)s will be established in the selected village clusters and pilot villages. Following the establishment of these groups and councils, a series of trust building and capacity building workshops will bring together national and international experts, local communities and provincial authorities and will result in the establishment of Rural Development Funds (RDF) in the pilot villages and lead to the formulation of Watershed Level Plans (WLP) and Village Level Plans (VLP)s. Joint assessment and identification of problems and solutions will lead to greater coordination, involvement and participation of the stakeholders during the implementation of the VLP and WLPs. WLPs will include larger SLFM interventions at the watershed scale (e.g. participatory planting of multi-use species for range and forest rehabilitation, rehabilitation and maintenance of qanats, bandsores and irrigation canals, planting to control erosion from W.E.H.Ps) and Village Level Plans (VLP) will include smaller scale works such as planting salinity and drought resistant agricultural species on demonstration plots (through farmer field schools), participatory planting of wind breaks around villages, sustainable alternative livelihood options, biodiversity conservation through sustainable use and harvest of local resources, etc. The participatory SLFM plans are a result of enhanced capacity for participation and will reflect increased awareness of linkages between socio- economic needs, use of natural resources to meet them and alternatives to be adopted to restore and maintain ecosystem services. More detail is given below on the process to be followed by the Project Planning Committees (PPC) with support from consultants and experts for the formulation of the VLP and WLP.

- Identification of Villages and Village clusters to develop and implement VLP and WLP: PPC will conduct Rapid Assessment in the project area to select village clusters for project intervention. The criteria for selection will include but not restricted to ecological challenges and urgency of intervention, socio-economic status, interest and willingness in participation etc. For example the rapid assessment of the project area could lead to selection of 100 villages in the watershed which can be grouped into six clusters. A cluster is defined as a group of villages in the watershed where watershed-level plans will be implemented. Representative members of village clusters are represented by Participatory Village Resource Management Council (PVRMC). Detailed baseline assessment of these clusters will lead to identification of at least 5 pilot villages in each cluster where specific village level plans are developed and implemented. The up-scaling of numbers from 5 villages to 30 in Rigan Watershed and 15 in Se Galeh watershed will depend on the progress of implementation of

project activities. It is anticipated that by EOP at least a total 30 villages (20 in Rigan and 10 in Se Galeh) will have implemented the participatory, integrated SLFM plans.

- Formation of Village Committee and Participatory Village Resource Management Council (PVRMC): If six clusters of villages are chosen in a project site, the village cluster representatives will form the Participatory Village Resource Management Council (PVRMC). Of these clusters if 10 villages are chosen in the site during the first year for implementation of activities, then a Village Council (VC) is formed with representatives (across economic class, gender etc) of these villages. VC's and PVRMCs will be involved in formulation and implementation of village level SLFM plans (VLP) and watershed level SLFM plans (WLP). This will ensure communities are driving the local development processes. These plans will cover SLFM initiatives including biodiversity conservation and alternative livelihood development. These plans will also include a self-monitoring mechanism with adaptive management tools where relevant. The project will provide overall support to the development and implementation of these plans. These plans are the key tool for mainstreaming SLFM initiatives into economic development at the village level. The VCs will also share their experiences with other villages in the cluster to encourage participation.
- Formulation of the plans: The VLPs and WLPs are primarily drawn out by the VC's, PVRMC's, PPC and the eight technical experts from the respective Project Offices (PO), with guidance from the CTA, and NDP. The resource base for the plans will come from village and provincial level experts, national consultants, and international consultants based on relevance. The role of VC will be vital especially in drawing out the VLPs. VLPs and WLPs fit into each other and hence the role of VC is critical in formulation of both plans. WLP should among other particulars include clear details on activities at the watershed level to address SLFM barriers, present the financial inputs and investments, labour (planting of wind breaks, construction of irrigation canals etc) required, work out details on integrating participation and institutional mechanisms with reference to impact and sustainability of WLP and identify possibilities of demonstrating PES on a pilot scale. VLP should among other particulars include details on contributions from village and the project towards the formation of Rural Development Fund (RDF), details on sustainability and management of RDF, linkages to markets, possible external finance, linkages of sustainable livelihoods and participation in project activities to PES, linkages to experts, institutions and PPC and explore ways for scaling up of the VLP in the village clusters.

Component 2. Implementation of participatory integrated watershed and village level plans in selected pilot sites

Outcome 2. Status of forests and range improved, severity of wind erosion decreased and natural resources managed sustainably on 75,000 ha of land.

This outcome will be achieved mainly through the implementation of participatory integrated watershed and village level plans (resulting from component 1 of the project). This component involves the major physical and field works of implementing the elaborated VLPs and WLPs combined with training on technical and practical management, conservation and restoration issues (in a learning by doing process)..

The outputs to be realized in the project sites under this component are the following: 2.1. At least 30 pilot villages (20 in Rigan and 10 in Se Galeh) implementing the village level and watershed level plans; 2.2. 30% decrease in erosion in pilot villages (baseline to be established in year 1); 2.3. 75% of rangelands rehabilitated of projected 19,100 ha in pilot sites; 2.4. 2,250 hectares of farm and rangeland in selected villages restored with drought and salinity resistant plants; 2.5. 25% recovery in globally important wild species and species of importance/used as Non Wood Forest Products (baseline to be established in year 1); 2.6. At least 5 sustainable alternative livelihood initiatives are developed with demonstrated benefits to environmental services

The activities to achieve this outcome and outputs can be grouped under a) rehabilitation of degraded forest/ rangeland and saline soils; b) forest and biodiversity conservation, c) wind erosion and salinity control, d) sustainable agriculture and alternative livelihoods. These activities are intricately linked in generating the ecosystem services envisaged in the project and are described below.

a) Activities on rehabilitation of degraded forest/ rangeland and saline soils include planting of multi-use, drought and salinity resistant fodder, fast growing endemic species and planting of hydro-holphytes in selected areas. Rangeland rehabilitation will also include creating enclosures, training local people and hiring them for monitoring the rangelands. This will elicit local empowerment, commitment and responsibility toward managing rangeland resources. Alternatives to grazing in enclosed areas will be identified including supply of subsidized fodder for livestock, planting of fast growing native rangeland species, and creating water points in range to discourage congregated grazing)

b) Activities on forest and biodiversity conservation will include rehabilitation of native forests with endemic species which will improve the micro-climate and water retention of the watersheds. Vegetation regeneration and conservation studies envisaged for selected areas will provide valuable scientific data for adaptive planning for resource management. Forest areas critical for conservation of local and endemic fauna and flora and their habitats will be identified; migratory routes and key species habitat use will be demarcated on map for biodiversity conservation and rehabilitation. Provision of essential habitat resources will include establishment of water points in uplands and lowlands and salt provision in selected areas in the uplands, Participatory monitoring of range, wildlife and forest rehabilitation activities will support all the other activities and provide a channel for empowering people through participation. Alternative and renewable sources for fuel wood will be introduced on a

demonstration basis in the project sites to reduce encourage weaning away from overharvest of forest and range resources for fuel. Gas ovens for cooking and solar powered water heating will be introduced in pilot villages. These new introductions will also be supported by water purification systems on demonstration sites which will address increasing salinity in drinking water;

c) Activities to control wind erosion and salinity will include participatory establishment and maintenance of biological windbreaks at detachment areas designated as WEHPs, around selected villages, farmlands and roads. It will also include planting of multi-use species on land susceptible to erosion. These activities are driven by enhanced capacities and skills in selection of appropriate areas to undertake the activities, selection of species, planting techniques and maintenance. Wind erosion is intricately linked with water erosion and water resources management (Annex 4) in the watershed. In this integrated approach to address erosion issues, water resource management activities are designed to support erosion control activities and vice versa. Participatory restoration of qanats and restoration of traditional water collection and harvesting systems such as bandsors, crescent embankments, and construction of check dams will bring in traditional knowledge and skills together with technical expertise through the project to ensure sustainable water resources management. Increased capacity and skills through various workshops and training sessions will result in adoption of efficient and improved irrigation and techniques such as bubbler irrigation and subsurface irrigation in selected sites based. Introduction of counters for measuring water extraction in pilot areas will provide opportunities for research and act as farmer demonstration sites for outreach of results. Improved water resources management will be supported by planting of drought and salinity resistant crops, thus gradually increasing sustainable use of water resources and decreasing conversion of rain fed to irrigated lands.

d) Activities on sustainable agriculture and alternative livelihoods. Success of the above mentioned activities depends heavily on enhanced capacity to plan and adopt alternative and sustainable livelihoods which meet the local socio economic needs and ecological challenges. Detailed alternative livelihoods options specific to the selected villages will emerge from the baseline and rapid assessments. These findings will be integrated into the WLP and VLPs. Communities will be empowered through increased awareness to avail loans through the Rural Development Funds to be established through the project to encourage adoption of alternative livelihood options. Alternative livelihoods activities include, but are not limited to, training to grow, process and market medicinal plants including *Aloe vera* (planted as bund crop in date gardens); promotion of poultry and poultry products and native bee-keeping using damaged dates. In selected pilot villages, alternative livelihoods can be garnered from enhancement of existing amenities and rural homes to encourage ecotourism. Linkages between alternative livelihoods and sustainable resource use can be illustrated with the establishment of home gardens in selected villages. These home gardens could be demonstration sites for reuse of water from kitchen and other suitable and safe home resources. Home gardens will be linked to the established community based compost centers (to increase soil organic matter and decrease its salinity). The community compost centers would also support organic farming in selected villages. Extension meetings and knowledge sharing will encourage seed collection, community based exchange of knowledge and distribution of seeds resistant to salinity and drought, introducing salinity /drought resistant crop and range species on farmer field demonstration plots to address some of the immediate challenges to sustainable agriculture. Linkages of PES with

alternative livelihoods and participatory management of resources will be demonstrated in selected farmer field schools in the project area. These demonstration sites will also provide opportunities for graduate research studies, the results of which have the potential to reach wider audiences and have implications to policy decisions.

Advisory services through national and international experts in different themes (biodiversity conservation and monitoring, land degradation, sustainable livelihoods, participatory approaches, watershed management, restoration/rehabilitation, etc) will ensure development and implementation of innovative approaches leading to sustainability and greater impact. All stakeholders will implement activities according defined responsibilities articulated in the watershed and village level plans at the onset of the project. Such a self driven/ participatory process will ensure proactive engagement between stakeholders, greater coordination and continued collaboration beyond the project duration, thus leading to sustainability and enhanced global and national benefits.

Component 3. Improving the policy and institutional environment for participatory integrated SLFM approach

Outcome 3. Enhanced capacity at local and national levels to integrate SLFM across different institutions and sectors.

This outcome contributes to Component 3. This component plays the vital role of transferring results of the first two components into policy revisions and modifications reflecting an integration of approaches to SLFM by departments and sectors involved in natural resource management.

The outputs expected to be delivered to achieve this outcome are: 3.1. One SLFM platform/inter-sectoral coordination mechanism established and operational at national level; 3.2. At least 5 policies revised to mainstream participatory SLFM; 3.3. At least 5 departments in NRM ministry working with inter- and intra-departmental linkages and at least two linkages established between 2 ministries (Department of Environment (DOE) and Forest, Rangeland and Watershed Management Organisation (FRWO) at provincial levels; at least one such linkage at the national level.

The activities to deliver the outputs will include conducting of adequate studies to analyse current policies and identify areas of policy harmonization and greater collaboration between different stakeholders. The institutional coordination of the activities under this component will be anchored by the establishment of a multi-sectoral SLFM platform with representatives from ministries dealing with natural resource management like DoE, ministry of mining, MoJA, provincial representatives and others as relevant. Meetings of this platform will be organized to review the studies results and discuss / agree on priority actions. During these meetings, participating stakeholders will be exposed to experiences coming from the field activities of the project in order to enable them taking informed decision on how to mainstream SLFM. This will enable the platform to work toward achieve cross cutting policy reforms. The SLFM platform will ensure sustainability of investments and commitments beyond the project lifetime. This national multi-stakeholder platform for mainstreaming SLFM will be established within FRWO focusing on collaborative diagnosis of problems, harmonization of policies and actions,

converging SLFM centric investments and collaborate planning and implementation of SLFM interventions

Component 4a. Awareness raising and dissemination of best practices and lessons learnt

Outcome 4a. Project monitored and evaluated effectively and best practices and lessons learnt disseminated widely with a view to their replication in other areas

The outputs of this component include: 4a.1. Project data collection and Monitoring and Evaluation system established; 4a.2. Project progress and monitoring reports prepared and mid-term and final evaluations conducted in a timely manner; 4a.3. Lessons learnt, publications and documentaries prepared and widely distributed; 4a.4. Stakeholders beyond residents of the 45 pilot villages familiar with project approach and results; 4a.5 Decision makers and ministry professionals aware of project results.

With respect to the awareness raising and promotion of lessons learnt and best practices, the following activities are envisaged: include: (i) analysis and compilation of best practices and lessons learnt; (ii) organization of field visits, meetings and workshops to inform the stakeheloders on project implementation and results; (iii) the development of a communication strategy targeting dissemination of project best practices targeting different stakeholder segments; (iv) preparation of adequate communication tools for raising awareness and best practices promotion. The communication tools might include preparation of documentaries, website, brochures, success stories for distribution through the media. Indeed, project results and lessons learnt will be disseminated through publications, technical reports, brochures, posters and launching of a user friendly website which will provide a space for the stakeholders to share stories and experiences directly on the website. It will also be possible to access information on the project directly. Reports and publications, including newsletters and scientific publications resulting from involvement of graduate research students at demonstration sites and organized visits to demonstration sites and sharing of these stories through documentary films and digital photos will highlight achievements and innovations of the project.

With respect to the development of the project M&E system the following activities will be developed: (i) recruitment of a monitoring and evaluation specialist and provision of training on M&E to the project team; (ii) definition of specific methods and tools to monitor project indicators; (iii) development of a data collection and M&E system; (iv) undertaking of strategic planning, and the monitoring and evaluation of project activities (operational progress, outputs, and outcomes); and (v) development of a systematic supervision system of the contracted agencies for forest data collecting.

Component 4b: Project management

Outcome 4b: Project effectively managed

Outputs to achieve this outcome include the following: 4b.1. Project management unit established; 4b.2 Project Steering Committee (PSC) and Technical Committee (TC) established at the national level; 4b.3. Two Project Planning Committees and two Project Offices are established at provincial level (one in each province).

Activities envisaged at the initiation of the project include the following: (i). Appointment of National Project Director (NPD) and recruitment of the Chief Technical Advisor (CTA); (ii). Selection and recruitment of the National Project Manager (NPM) and formation of the Project Steering Committee (PSC); (iii) Formation of the Technical Committee (TC); (iv) Organization and holding of the inception workshop to review the project work plan, detail the annual project work plan, review the budget in line with the work plans and delineate responsibilities and tasks among the project team members and other partners; (v). Establishment of two project offices (one in each province).

3.3 Sustainability

The project's basic premise is that by adopting a participatory integrated SLFM approach that takes into account the interdependency of human well-being and ecological functioning, as well as interdependency of the different actors involved in SLFM from local stakeholders to provincial and national institutional bodies to achieve SLFM goals, based on addressing socio-economic and ecological needs, reflected across the SLFM platform will result in achieving SLFM in near and short term scale.

Political support and commitment at local level in the two provinces was found to be very strong during the PPG phase. Interviews with provincial representatives including governors, FRWO and DOE officials and local stakeholders including livestock herders, peasants, local residents in project areas show that they are ready and willing to be involved in local consultative decision-making processes. Some mistrust among local stakeholders still exists, but FRWO and DOE officials have begun assessing ways of working with local stakeholders through provision of Government incentives (e.g. health services, transport facilities, cultural/educational services) to elicit co-operation and active participation of local peoples in specific management responsibilities. Dialogues on such possibilities have already taken place. At national level, political support for both the goal and strategy of the project is strong, with a renewed emphasis by the President of I.R. of Iran on participatory processes and environmental protection in the country. There is growing understanding and emphasis on conserving the biodiversity and addressing challenges to sustainable land management in a holistic approach on watershed scale bringing together the different ministries' and departments which are currently addressing issues in isolation. The Memorandum of Understanding (MOU) between the Provincial FRWO and DoE (Annex 5) is a step in this direction for this Project.

With respect to **financial sustainability**, it is expected that FSP interventions are likely to generate sufficient revenues to demonstrate financial sustainability for all activities supported under the Project within the life of the project (LOP). Over the long term the recurrent costs will be met through FRWO's annual budgetary resources comprising of "current" and "infrastructural" categories. In terms of the allocated budget for the current expenditure category, it is estimated that such budgets will annually grow by a nominal 20.9 % within the context of the fifth national five year Plan (2010-2015). Moreover, the projects basic premise of coupling PES with alternative sustainable livelihoods and the setting of Rural Development Fund (RDF) at local level should continue to support the sustainability of the interventions after LOP. In some of these cases, it is thought that the likely increase in collective household income will be

sufficient to continue supporting the project following project closure. In other cases where the “payoff” will not be discerned until well beyond the LOP, the financial situation among the target groups may be such that it is unlikely they will continue to support efforts following project closure especially in absence of RDF. It is expected that government and the local beneficiaries will be willing to work with each other and there will be continued support from provincial and national level through sharing of expertise and budget which will be critical to sustainability after LOP.

Linkages to national resources already allocated to technical and professional education; facilities and assistance by FRWO and DoE in natural resource management, facilities for job creation; to agriculture companies for modification yeoman system and improvement of agricultural productivity (70 percent costs is paid by the government); research projects in modification of cropping patterns and implementation of new methods of irrigation (50 percent of costs will be paid through loans); findings of research projects (Annex 7) for rangeland and forest restoration, watershed management and wind erosion during the project implementation phase will also play an important role in ensuring the sustainability of the project.

3.4 Risks and Assumptions

Significant risks and assumptions include the following:

1. Slow uptake of participatory integrated SLFM approach and policy recommendations. The project supports the development and implementation of a participatory integrated SLFM plan for the village and watershed levels with hands-on involvement of local people, and provincial and national representatives. The risk associated with this is the degree to which linkages between participatory integrated SLFM initiatives, sustainable alternatives to resource use and livelihoods ensuring revival of ecosystem services are understood by the stakeholders at all levels in order to ensure participation and integration from all levels in development of VLP and WLPs. This risk is low since both participatory and integrated ecosystem approaches are adopted in other project designed to address land degradation and biodiversity conservation issues in I.R. Iran. Field visits and meetings relevant sites and projects stakeholders during the inception mission of RFLDL will ensure that lessons will be taken into the project at the very beginning. RFLDL has taken into its design a number of awareness raising activities including workshops to enhance opportunities to look and learn beyond the ‘artificial fences’ between different stakeholders, ministries and other actors. Formal meetings, workshops or site visits will be organized throughout the LOP to ensure interaction and exchange of information to assure that the relevant lessons between village clusters and provincial and national representatives and key decision makers. The fourth project component including activities designed for dissemination of information and best practice will support the above mentioned transfer of knowledge and lessons, and will reach to the public at large. As a mitigation measure, the project will integrate tracking tools (in its M&E system) with well defined indicators to ensure a timely integration of policy reforms into national sectoral and provincial policy formulation frameworks.
2. Project coordination: Close and collaborative cooperation between the FAO, FRWO, the PSC and other participating institutions, most importantly the DoE, Ministry of Energy and other sectoral agencies, will be essential to ensure that project-supported interventions focusing on the “mainstreaming” of participatory integrated SLFM principles will have the

desired effect on achieving mitigation of land degradation and reductions of loss of biodiversity in rangeland and forest ecosystems. During PPG evidence for this cooperation appeared promising. During implementation, it will be the task of FRWO as the project's national executing agency to ensure continued support from all stakeholders and to identify and resolve any potential issues early in the project cycle before they begin to affect implementation activities and their success.

3. Village/village cluster selection and participation: Selection of representative village clusters and villages to develop and implement the VLP and WLP is very important for the project success. The risk of choosing the incorrect representative villages is medium to low. This risk is addressed by the rapid assessment of the project area (to select village clusters) and baseline assessment (to select pilot villages from clusters) envisaged to be completed in the early part of the LOP. The assessments will have several ecological, socio-economic and institutional indicators to ensure the selection process accomplishes its goal of finding representative village clusters and villages in the project sites. The risk is low that the selected villages will be unwilling to cooperate with the GEF project due to the tangible social and economic benefits their households can derive from their participation. Also, one of the indicators for site selection included willingness to participate in the project activities.
4. Prolonged drought and climate change: This risk is expected to have a negative impact on the country's already vulnerable rangelands, watersheds and other natural resources. While it is unlikely that long term climate change will occur within the duration of the project, the risk of continued drought is real. This could negatively impact on the returns expected from the proposed investments in SLFM for sustainable crop, livestock and forest and rangeland rehabilitation activities. Whereas such risks cannot be totally avoided, the emphasis placed on providing sustainable livelihood opportunities and increased adoption of sustainable agriculture practices by the project is expected to empower rural households by building their capacity to plan for the sustainable management of their local ecosystem resources, on which their livelihoods depend and enable them to respond and cope with prolonged drought and climate change events. Because drought is an ever present threat in the project areas the project will seek out traditional coping strategies which make the communities better able to deal with changing rainfall/drought patterns. The project would build on these traditional coping strategies, and assist communities to identify and adopt locally appropriate water harvesting, soil moisture and nutrient conservation practices with potential to mitigate the effects of low rainfall and drought.
5. Financial resources transfer to Iran: There is a moderate to high risk that difficulties may be experienced in transferring project resources to Iran which could affect the smooth and effective implementation of the project. FAO will monitor the situation carefully, and any impediments that could delay or adversely affect project implementation will be brought to the attention of the Government of Iran and the GEF Secretariat.
6. Recruitment of the most technically qualified CTA: There could potentially be difficulties in recruiting the technically qualified candidate as the CTA who must be endorsed by FRWO/Government of Iran and FAO. This is a medium to high risk. To mitigate the risk, the FAO Lead Technical Unit will work closely with FAO-Iran and FRWO to broadly advertise the position and identify the most qualified candidates to be selected through a transparent selection process.

7. **Co-financing:** This project relies heavily on the provision of co-financing from the Government of Iran which should be provided in a timely manner in accordance with the project work plan. The National Project Manager (NPM) and National Project Director (NPD) will, on a quarterly basis, prepare a financing plan and disbursement schedule based on the project work plan and activities to be financed by the Government of Iran and ensure that funds are committed to cover the relevant project activities/project staff. Co-financing will be reported in the quarterly project progress reports (PPRs) and in the annual Project Implementation Review (PIR). The National Project Manager will closely monitor disbursements of co-financing and immediately bring to the attention of the National Project Director, FAO and, as necessary, the Project Steering Committee any shortfalls that may affect project implementation. FAO will monitor the project financing (GEF and co-financing) through the PPRs, PIR and frequent contact with the National Project Manager.

4. IMPLEMENTATION AND MANAGEMENT ARRANGEMENTS

Institutional Framework and Co-ordination

The project partnership arrangements and execution structure described here and shown in Annex 8, were designed to ensure effective implementation of the project, facilitate stakeholder participation, and promote the use and adoption of project results in policy development and decision making, especially forest and land use policies. The partnership arrangements comprise different levels of participation in the project, and include the establishment of committees. At national level, a Project Steering Committee and a Technical Committee will be established. At the provincial/watershed level, two project planning committees and two project offices will be set up.

4.1 Institutional arrangements

In the section below, the description and the role of each of the main collaborating institutions is provided. Following this section, a description and indication is provided regarding the role and composition of the planned committees.

The **Forests, Rangelands and Watershed Organization (FRWO)** will be the primary technical executing partner. The FRWO of the Ministry of Agriculture Jihad (MoAJ) is the only agency in charge of the management of natural resources including forests, rangelands, watersheds and deserts. Its main objectives are the protection, conservation, reclamation, development and utilization of forests, rangelands, forested lands, natural woods and coastal lands, as well as soil conservation throughout the country. FRWO is also responsible for protecting forests on the large areas of nationally owned forest land, and is responsible for the management of protected areas, an area where its responsibilities overlap with that of the DoE. FRWO has a very wide network of provincial and district offices called the Natural Resource Offices (NRO) which works in close contact with headquarters in Tehran.

FRWO, in collaboration with DOE and the Agriculture and Natural Resource Research Centres will technically execute the project with administrative and technical support from FAO. This will be done through Letters of Agreement between FAO and FRWO. FRWO will be responsible of the implementation of the main components of the project on the ground, from the planning

and execution of inception workshop through the formulation and implementation of participatory integrated Village Level Plans (VLPs) and Watershed Level Plans (WLPs), strengthening institutional cross linkages and policies, monitoring project progress, disseminating results and replication. FRWO will hence be responsible for the core of the project activities, outcomes, and outreach across all levels.

The **Provincial Research Centers for Agriculture and Natural Resources** are departments under the MoAJ involved in research based on provincial needs and relevant national priorities. They are provincial based and work with provincial extension departments, universities and directly with the farmers in farmer field demonstration sites. Research is needs based and could address issues such as multi-use of rangeland species, appropriate agricultural practices, evaluation of irrigation practices etc. FRWO will draw inputs from the Provincial Agriculture and Natural Resource Center located in each province in planning and executing activities especially the ones related to Farmer Field Stations. These activities will be research oriented and will involve participation of researchers from two Provincial Agriculture and Natural Resource Centers in the two provinces of South Khorasan and Kerman. It may also include inputs from provincial level university students and faculty apart from Agriculture Extension Department of Ministry of Agriculture Jihad based on relevance.

The **Research Institute for Forest and Rangelands (RIFR)** is the research entity at the national level under the MoJA. Ongoing research includes and is not limited to: Rangeland monitoring and evaluation; introduction of the high production plants for improving rangeland capacity; updating the vegetation maps and producing integrated map of density, vegetation type, climate and land capability; maintaining database of the rangelands vegetation; determining the forage production in rangelands; evaluate preference value of the rangeland species and livestock behavior; determine the allowable use factor in rangeland species, forage consumption in the months of the grazing season; optimum time for entry and exit of the livestock; Forage quality in key species; study and evolve methods for determining the range condition. Unlike the provincial level research institutions mentioned above, the RIFR will not have a 'direct' involvement in project execution. RIFR will be a member of the Technical Committee and will be consulted for advice and inputs during the life cycle of the project for technical and research issues arising during the formulation and implementation of VLP and WLPs.

The **Department of Environment (DoE)** is responsible for managing and implementing most of the Protected Areas Network (PAN) in I.R. Iran. DoE has been the implementing agency for several conservation efforts in Iran including UNDP's Zagros, Iranian Cheetah and Wetlands projects. DoE will be a member of the Project Steering Committee (PSC). Through its participation to the PSC, the DoE will contribute lessons learnt in local participation and efforts in establishing linkages with other departments and sectors to the RFLDL. The role of DoE is critical in sharing lessons in participatory approaches adopted to establish and manage the Lashkargah No Hunt Area (NHA) in Se Ghale. DoE's role in RFLDL project activities will include real-time co-operation between FRWO and DoE in transferring lessons from Se Ghale to the Rigan site, where DoE has not yet established a NHA, but has indicated the significance of biodiversity (e.g. presence of Persian leopard, mountain goat, brown bear, red deer, sand fox etc) in the Jebalbarez Mountains of Rigan site uplands. DoE in Rigan has expressed interest in establishing a NHA and its willingness to participate in project activities. Although there has been no financial commitment by the DoE at this time, their willingness to work with the project,

provide technical support and share existing manpower support for relevant activities in RFLDL is a significant step toward co-operation between FRWO and DoE, and an opportunity for the project to approach the land degradation and biodiversity issues in a holistic way. Further, the NHA in Se Ghale could become a PA by the end of project and therefore transfer important lessons of participatory integrated management plans to Rigan site to pave way to participatory establishment of NHA in Rigan. As a result of meetings held with the DoE during the PPG missions, MoUs between provincial FRWO and DoE were prepared and signed, signaling the interests in co-operation between the two departments that are historically known to work in parallel.

The Food and Agriculture Organization of the United Nations (FAO) is the GEF Agency of the project and will provide administrative, operational and technical support to FRWO in the execution of the project. FAO will provide the project with its considerable experience in providing countries with technical assistance in sustainable land and forest management and global knowledge on best practices in forest management gained through its Committee on Forestry, Regional Forestry Commissions and the work of its Sub-Regional Offices. Specific areas of comparative advantage most relevant to the project include, inter alia: i) sustainable management of natural and planted forests, including forest health and wildfire prevention and control; ii) sustainable land management and the promotion of sustainable agricultural practices; iii) climate change mitigation in forestry through carbon sequestration, substitution and conservation; iv) conservation and sustainable use of plant and forest genetic resources; and v) conservation and sustainable use of biodiversity important to agriculture; vi) non wood forest products; vii) arid zone forestry including rehabilitation of degraded lands and dune fixation; viii) biodiversity conservation, wildlife and protected areas management. In the specific case of Iran, FAO provides technical assistance for policy making and capacity building in the forestry sector and has provided technical support for capacity building in sustainable land management. The FAO Office in the Islamic Republic of Iran works in the following priority areas which have been identified through consultation with various government departments: i) food and livelihood security; ii) diversification, competitiveness and markets of agricultural products; iii) sustainable management and development of natural resources and environmental protection; iv) strengthening of human resources, policies, institutions and support-services in agriculture and food security; and v) development of agriculture and rural development knowledge management.

4.2 Implementation Arrangements

The Forests, Rangelands and Watershed Organization (FRWO), Executing partner:

Letters of Agreement will be concluded between FAO the FRWO, the national implementing partner responsible for the day-to-day management of the project, including supervision of the national consultants, supervision of field work, workshops, etc. FRWO will be operationally and administratively supported by FAO, and technically by the Chief Technical Adviser and FAO. During the first year of the project, FAO will assess the fiduciary standards and capacities of FRWO.

In collaboration with DOE and the Agriculture and Natural Resource Research Centres and in consultation with FAO, FRWO will be responsible for the planning and execution of project activities, formulation and implementation of participatory integrated Village Level Plans (VLP)

and Watershed Level Plans (WLP), strengthening institutional cross linkages and mainstreaming, monitoring of project results, dissemination of best practices and lessons learnt and replication. To achieve implementation of the activities and project objectives, FRWO will count on a team comprised of a National Project Director (NPD), a National Project Manager (NPM) based in Teheran FRWO premises and two Provincial Project Managers (PPM). Project offices will be established in the two FRWO provincial offices.

National Project Director (NPD): A senior officer in FRWO will be designated officially by the Head of FRWO as the National Project Director. This responsibility entails ensuring effective communications between the partners and monitoring of progress towards expected results. The NPD will have a broad understanding of sustainable land and forest management and related national policy and institutional issues. The NPD will also be a strong team player endowed with capacities to reach out to experts in different departments and ministries and bring them along with the local stakeholders to a single platform. The NPD will be responsible for mobilizing the national co-financing committed to the project in a timely manner and providing quarterly co-financing reports, ensuring collaboration of the lead ministry and other partners and stakeholders, providing policy support and overall effective implementation of the project, and liaising with FAO and the Project Steering Committee.

National Project Manager (NPM): NPM will be selected jointly by FRWO and FAO through a transparent and open selection process. This position is paid fully by GEF funds and will be based at FRWO. He/she will have a balanced background in biological and social sciences, as well as extensive experience in project management and SLFM related field experience. The NPM will be responsible for the day-to-day management of the project, including communication with provincial authorities in the two project sites, implementation of the project activities, ensuring regular communications and coordinating activities with partner institutions and stakeholder at both the national and provincial levels, disseminating best practices and lessons learned, and guiding and providing advice to the Provincial Project Managers (PPMs). The NPM will report directly and be accountable to the NPD and will be directly supported by the CTA. The NPM will prepare the quarterly project progress reports and financial statements.

Chief Technical Advisor (CTA) will be appointed by FAO in close consultation with FRWO. The CTA will be supported by the Lead Technical Unit (FAO Forestry Department (FOMC)) and the multidisciplinary Project Task Force which will be constituted within FAO. The CTA will report directly to the National Project Manager (NPM), and to FAO. The CTA will provide technical guidance to the project and support the NPM in ensuring project activities are technically sound.

The CTA will provide technical assistance and capacity building to the NPM, the Project Steering Committee (PSC), the two Project offices (PO) and the Project Planning Committees (PPC). The CTA will be hired for a total duration of 36 months distributed during the 5 years as the following: 12 months for the first year, 9 months for the second year, 6 months for the third, 4 months for the fourth year and 5 months for the 5th year. The capacities of the NPM, the NPD and the PSC will be strengthened with a view to their taking over increasing responsibility for the technical soundness of project activities. The CTA will have broad technical expertise in the area of SLFM with extensive field experience in land degradation and biodiversity conservation in semi-arid and arid regions. The CTA will also have strong project coordination, motivational and interpersonal skills and be a team player.

Project Offices (PO) and provincial project managers (PPM): PPMs will be responsible for the day-to-day management of project activities at the provincial level, monitoring and reporting on project progress and impact. He/she will chair the Project Planning Committee (PPC) that will be set up in each province and will be responsible for coordinating collaboration with the Provincial Research Centers for Agriculture and Natural Resources, the Department of Environment and other stakeholders at the provincial level. Project Offices (PO) will be established at FRWO in each of the two provinces. In addition to the PPM, project staff will be comprised of eight senior experts on community participation and gender development with background and experience in fields related to alternative livelihoods, land degradation, rangeland and forest management/restoration, sustainable agriculture, biodiversity conservation, and monitoring and evaluation. The PO will also include administrative staff and assistants, translators and maintenance staff including drivers and guards which will be financed by the Government of Iran as part of their co-financing. The POs will adequately furnish to enable the staff and experts to deliver according to the project needs. The PPM and eight technical experts will be recruited in a transparent, competitive manner. The PPM will liaise with the NPM directly and with the CTA and provide information, as requested, to the TC, and NPD regarding technical issues and provide the provincial FRWO with administrative reports which will be shared with relevant ministries/sectors involved in the project to ensure enhanced cross sectoral linkages).

Research Institute for Forest and Rangelands (RIFR). RIFR will be a member of the Technical Committee and will be consulted for advice and inputs during the life cycle of the project for technical and research issues arising during the formulation and implementation of VLP and WLPs.

Department of Environment (DoE). The role of DoE is critical in sharing lessons in participatory approaches adopted to establish and manage the Lashkargah No Hunt Area (NHA) in Se Ghale. DoE's role in RFLDL project activities will include cooperation between FRWO and DoE in transferring lessons from Se Ghale to the Rigan site, where DoE has not yet established a NHA, but has indicated the significance of biodiversity (e.g. presence of Persian leopard, mountain goat, brown bear, red deer, sand fox etc) in the Jebalbarez Mountains of Rigan site uplands. DoE in Rigan has expressed interest to establish a NHA and its willingness to participate in project activities. As a result of meetings held with the DoE during the PPG missions, MoUs between provincial FRWO and DoE were prepared and signed, signalling the interests in co-operation between the two departments that are historically known to work in parallel.

Food and Agriculture Organization of the United Nations (FAO). As the **GEF Agency** for the project, **FAO** will be responsible for managing the GEF component of the project and ensuring adherence to GEF and FAO policies and procedures and that the project meets its objectives and expected outcomes and outputs as established in the Project Document, Work Plan and budget in an efficient and effective manner. FAO will report on project progress to the GEF Secretariat and provide financial reporting to the GEF Trustee. FAO will closely monitor the project, provide technical support, carry out supervision missions, and organize the independent mid-term and final evaluations.

As the executing agency of the project, at least in project year 1 during which an assessment of the fiduciary standards and capacities of FRWO will be conducted, FAO will provide administrative and operational support to FRWO, the primary national executing partner, and

ensure the timely delivery of project inputs and outputs. Administration of the GEF Grant will be in compliance with the rules and procedures of FAO, and in accordance with the Financial Procedures Agreement (FPA) between FAO and the GEF Trustee. Monitoring and Evaluation will be carried out in accordance with FAO and GEF Evaluation Office policies. Specifically, FAO will: (a) manage and disburse funds from GEF in accordance with the rules and procedures of FAO; (b) enter into Letters of Agreement with the Forest Rangeland and Watershed Management Organization (FRWO) and other executing partners, as appropriate; (c) oversee project implementation in accordance with the project document, work plans, budgets, agreements with co-financiers and the rules and procedures of FAO; (d) provide technical guidance and backstopping to ensure the appropriate technical quality is applied to all activities concerned integrating biodiversity and land degradation issues into SLFM; (e) monitor project progress and impact and organize the mid-term review and terminal evaluation; (f) report annually on project implementation to the GEF Secretariat and GEF Evaluation Office; and (g) ensure timely financial reporting to the GEF Trustee. In addition, FAO will be responsible for hiring the international consultants required for the effective implementation of the project. The tasks of FAO Units and offices involved in the project are described below.

The Forest Conservation Team (FOMC) of the Forest Assessment, Management and Conservation Division at FAO Forestry Department will be the FAO Lead Technical Unit (LTU) for the project and provide technical backstopping together with concerned officers and units in FAO Regional Office for the Near East (FAORNE). In close collaboration with FAORNE and other concerned units, the LTU will follow-up closely on implementation progress and ensure delivery of technical outputs and outcomes, and undertake regular backstopping missions. It will review and provide clearance to: i) the Terms of Reference of consultancies, letters of agreement and contracts; ii) the selection of the consultants and firms to be hired with GEF funding; iii) all technical reports, as established in the project Results Framework; iv) project progress reports, implementation reviews and financial reports. The LTU will review and clear the quarterly project progress reports prepared by the NPM. The six-monthly reports will serve as the main input to the annual Project Implementation Review (PIR) to be prepared by the LTU with inputs from Chief technical Advisor (CTA) and to be reviewed and cleared by the GEF Coordination in the Investment Center Division. TCI will submit the final PIR to the GEF Secretariat and GEF Evaluation Office.

The GEF Coordination Unit in the Investment Centre Division (TCI) will review and approve project progress reports, implementation reviews and financial reports and budget revisions. The GEF Coordination will review and clear the annual PIR and undertake supervision missions if considered necessary. The PIRs will be included in the FAO GEF Annual Monitoring Review submitted to GEF by the GEF Coordination in TCI. The GEF Coordination Unit will also participate in the organization of the midterm review and final evaluation and in trouble-shooting and the development of any corrective actions that may be required to ensure timely and effective implementation of the project. The GEF Coordination, will, in collaboration with the FAO Finance Division, request transfer of project funds from the GEF Trustee based on six-monthly projections.

The FAO Finance Division will clear budget revisions, provide annual Financial Reports to the GEF Trustee and, in collaboration with the GEF Coordination Unit, call for project funds on a six-monthly basis from the GEF Trustee.

The FAO Representative (FAOR) in Iran, who will be designated as the **Budget Holder** of the GEF component of the project and will be responsible for timely operational, administrative and financial management of the project. In this capacity, the FAOR will authorize the disbursement of GEF project funds. The BH will establish a multi-disciplinary Project Task Force to support the project. The FAO Representative in Iran will work in close consultation with the LTU and the Chief Technical Advisor for the management of the GEF resources. Financial reporting and operations, procurement of goods and contracting of services for the GEF component of the project will be undertaken in accordance with FAO rules and procedures. Final approval of procurement, letters of agreement, and financial transactions rests with the Budget Holder. The Budget Holder will prepare Quarterly Project Implementation Reviews (QPIRs) for submission to the LTU and GEF Coordination Unit, and annual/six-monthly budget revisions.

Project Steering Committee (PSC). The PSC is the broad policy review and advisory body. The PSC will be composed of representatives from FRWO, FAO, and Provincial Research Centers for Agriculture and Natural Resources, representatives from the provincial level, the CTA and the NPM. The NPD will be the Chair of the PSC which will meet twice a year and as required. The PSC will provide overall advice to the project; promote linkages between different governmental bodies particularly with Ministry of Energy, Ministry of Foreign Affairs, Ministry of Interior, Ministry of Industry & Mines, Ministry of Road and Transportation, Management & Plan Organization, non-governmental actors, universities and research agencies. The PSC reviews and approves the annual work plans and budget. It evaluates project progress and impact and ensures the integration of project outputs into sectoral and provincial policies and plans. The participants will have delegated authority to take decisions.

Technical Committee (TC). The TC is a scientific and technical advisory body of the project and will provide advice and guidance to the NPD and NPM. The TC will be comprised of technical experts from FRWO, RIFR, DOE, as well as representatives from at least three Iranian Universities with proven track record in rangeland, agriculture and forestry research relevant to RFLDL. The Universities will be identified during the inception project phase. The CTA/NPM will with the TC share technical reports prepared by national and international consultants for comment, review and inputs. One or more members of the TC may participate in the PSC, as required, depending on the issues to be discussed at the meeting. Meetings will take place upon invitation.

Sustainable Land and Forest Management (SLFM) Platform. The SLFM platform is an inter-agency body that will coordinate SLFM issues and ensure the integration of SLFM into account in development planning and national and regional policies. This cross cutting high level committee will help ensure that SLFM activities are supported by policy revisions and reforms to support compatible land uses on a watershed basis. The SLFM platform will represent a participatory partnership among local communities, government and other stakeholders in the natural resources use and its management. It builds vertical connections (between provincial and national institutions) between the stakeholders across the institutional levels in the project management and builds critical horizontal linkages between departments (FRWO's departments for example) and sectors within and between ministries. The SLFM platform will have representatives from provincial and national level FRWO, DoE, and relevant ministries and departments.

The SLFM platform will be instrumental in promoting policy discussions on the strategic direction and pave the way forward for revision, change and harmonizing policies and their implementation across relevant sectors to ensure that SLFM practices are compatible and relevant to local needs and economics and they are being integrated into national and provincial development activities.

Project Planning Committee (PPC): Two PPCs will be established, one in each province. The PPC is a very critical and core body, that will build up the required solid foundation for successful planning and implementation of SLFM and project implementation. PPC consists of representatives from relevant provincial FRWO, Provincial Agriculture and Natural Resource Research Centres and DoE, Village Council (VC) members, civil society and private sector. Village Councils are the village level committees with representatives from the pilot villages adequately symbolising gender, age groups, socio-economic backgrounds, people with traditional knowledge and variety of skill sets relevant to the project activities. The representation of VC will grow based on progress in project implementation.

The establishment of the PPC will involve the following steps:

Step 1 – PO will communicate with different institutions and experts about the project and areas of potential harmonisation and participatory planning.

Step 2 – PO in consultation with NPD and CTA will organise a meeting to establish officially the PPC in each of the two project sites.

Step 3 – PPC orientation – workshops and study tours to selected demonstration sites and visit to the RFLDL site.

The PPC will provide technical assistance and support to the communities to formulate their SLFM plans at village and watershed levels, and SLFM micro-investment project portfolios based on Rural development Fund developed, share plan with PO, PSC, NPD and CTA and pave way to implement, monitor and evaluate the agreed WLP and VLPs. The PPC will also be the platform from where the broader watershed plans will be implemented with support from the previously mentioned stakeholders along with greater inputs and support from provinces. Furthermore, the PPC will assume overall responsibility for implementation of project, its monitoring and evaluation at the project site under the supervision of the PPM and NPD. The PPC will bear the responsibility of prioritizing areas, formulation and implementation of participatory integrated SLFM plans, review lessons, harmonise action, and converge investments from different ministries and departments on SLFM. The PPC will be the sensor and the primary (bottom) advocacy body which will put together needs and suggestions to policy reforms and strategies for strengthening co-ordination between different ministries and departments involved in implementation of activities at the village and thematic scales. The PPC will not only push advocacy for participatory integrated SLFM initiatives at local level (village and watershed levels) and draw out coordination of support to SLFM cross cutting the departments and their interests, it will also provide the platform for adequate scaling-up of SLFM good practices in the village clusters in the project area and at the National SLFM Platform.

4.3 Implementation strategy

Results from the PPG indicate that designing the project with a participatory and integrated approach is essential for this intervention to be practical and sustainable. Hence, it is critical that implementation arrangements are reflective of these approaches. Although participation and integrated ecosystem approach are not new concepts in Iran, there are very few examples where SLFM issues have been successfully addressed adopting both these approaches in project design.

A few national policies emphasize on people participation but they are not realized on the ground. Barriers such as lack of capacity at institutional level for participatory and integrated approach, lack of trust between local stakeholders and the government, lack of capacity of the implementing agencies, consulting companies or NGOs to involve local people and to assess and consider their needs before planning and implementing the projects prevent implantation of participatory approach. Plans developed and implemented without proper consultation and complete involvement of the local people, their socio-economic or ecological situation and needs are not sustainable, few show short term success and many fail. The reasons for such failures is not often recognized as lack of participatory integrated approach nor lack of adequate attention to local socio-economic needs, which form the most basic linkage between natural resource use and its conservation.

Governmental plans give key importance to rangeland rehabilitation, mitigation of wind erosion, water resource management and biodiversity conservation in addressing land degradation, desertification and biodiversity conservation issues. However, no budget is allocated to participatory integrated approaches; capacity building of communities to evaluate their problems, build capacities of institutional actors in the participatory integrates approach and train local facilitators in trust building so that local stakeholders and representatives of institutions can arrive together at a collective goal to solve their immediate and long term problems. Government plans offer no emphasis on alternative sustainable livelihoods based on local socio-economic-ecologic needs and conditions. RFLDL provides an opportunity to demonstrate removal of barriers to SLFM through capacity building in participatory integrated SLFM initiatives which will draw participation of relevant stakeholders and bring together cross cutting departments to develop and implement village level and watershed level plans. This is reflected by the establishment of different committees and forums for consultation and participation, in particular by the setting up of the PPC.

The project will also illustrate the significance of sustainable alternative livelihoods which address immediate and long term socio-economic needs of the communities while maintaining ecosystem services, and establish linkages between sustainable livelihoods and SLFM practices to PES, making the intervention effective and sustainable in the long term. Details on the participatory innovation and sustainable alternative livelihoods and its potential linkages to PES are provided in Annex 9.

In general the main elements of the RFLDL approach strategy are: to develop and implement project activities in a participatory integrated approach with due consideration to socio-economic and ecological needs and conditions; training for capacity building on participatory integrated SLFM approaches to be provided at local, provincial and national levels based on a learning by doing approach; focused efforts to find common objectives and to reach consensus among stakeholders at all levels; ensure transparent decision-making processes; regular stakeholder

meetings and analysis, at all levels, to ensure the appropriate level of involvement of all stakeholders and lessons shared with national counterparts and decision makers; recognize that some stakeholders are ‘unwilling’ to adopt participatory integrated efforts, especially at the institutional level, their involvement is part of the project objective, *not* a basis for implementing the project; use of SLFM platform to bring together inter departmental, inter and intra sectoral working groups at national, provincial and local levels with appropriate involvement of government, experts and NGOs to effect policy changes; participatory monitoring programme to involve stakeholders along with trained national and international experts in the collection and review of data and full dissemination of the monitoring results and the monitoring programme will use adaptive management tools where appropriate for demonstration.

Other key strategies are:

Awareness Raising is a key element which includes advocating national level decision-makers, networking with technical experts, influencing and advocating national and provincial policy makers, and influencing the positive behavior changes of villagers and the small-scale private sector. Adapted and targeted awareness raising measures will address all these audiences. At the village level, the emphasis will be on ‘social communication’ rather than ‘awareness raising’ which in the local context may be perceived as a top-down, answer-providing approach. In the social communications approach, through the interactions between the project, the local people and the experts, measures and materials will be developed to influence local behaviour and attitudes to participatory integrated SLFM, biodiversity conservation and to promote choices supporting them. Awareness raising will play an important role in building inter and intra sectoral and departmental linkages which is critical for long term co-operation and addressing of SLFM issues in a holistic way.

Gender: Success of SLFM initiatives depends upon the complete participation of women in planning, sharing suggestions for resource use and in taking resource-use decisions as reflected in their active participation during PPG. The project should continue to assure the full involvement of women, notably in the village clusters. This is to be achieved by the employment of a participatory and socio economic specialist with good gender related experience to advise and help design activities ensuring accessibility and involvement of women. The project will also involve experienced and relevant Iranian government departments such as the Department of Nomadic and Pastoral Women’s Affairs within the MoAJ and women’s NGOs.

Conflict Resolution. It is inevitable that there will be differences of opinion among participants in a planning process, particularly if management regimes for natural resources are going to be changed and/or the access to and benefits from natural resource use are likely to be amended or changed during the planning activities. The extent to which these differences of opinion escalate into conflicts depends in part on the magnitude of the change, the resources at stake, the suggested alternatives and the way in which disputes are handled. For these reasons, the RFLDL places enormous emphasis on the design of the participatory integrated planning process and on the public and community involvement techniques that are to be used. A particular emphasis will be placed on identifying and ensuring a role for all the stakeholders that may be affected by a natural resource management decision, associated training and alternatives suggested. It is recognized that conflict resolution processes may be scaled to level of the potential conflict, and mechanisms may be needed at village, province and national level to address this. Hence the

project has coordination mechanisms at these three levels. In addition, training courses on conflict resolution may be supported for local government staff through the project.

4.4 Government Inputs

The total project cost is estimated to be USD 11 007 134 of which GEF financing is USD 2 668 300. Total government financing amounts to an estimated USD 8 338 834 of which USD 5 003 280 is cash and USD 3 335 554 in kind.

4.5 Donor Inputs

Total GEF financing amounts to USD 2 688 300. Detailed budget is presented in Annex 11.

4.6 Technical Support / Linkages

The Forest Conservation Team /Arid Zone Forestry programme (FOMC) of the FAO Forestry Department will serve as the Project's Lead Technical Unit (LTU), working in close collaboration with the FAO/s Investment Center (TCID), Legal Office (LEG) and the multidisciplinary Project Task Force. The LTU will work in close collaboration with the CTA to maintain primary accountability for the timeliness and quality of technical services rendered for project execution and ensures that project meets internationally accepted "best practices" in the application of SLFM and Forest Rehabilitation Practices/ Biodiversity conservation in arid and semi arid zones. A multi-disciplinary task force will be set up within FAO to provide guidance and oversight of project implementation.

The national SLFM platform is the cross cutting body of representatives from technical and research experts from FRWO, DOE and other ministries together with relevant academic experts from universities, CBOs and provincial experts. Based on field demonstrations and success stories through project activities, this platform provides a stage for mainstreaming participatory integrated SLFM initiatives across ministries and sectors, establish technical and practical linkages between projected needs on the ground to the planning of interventions upstream. The SLFM platform will reflect the principle of 'participatory networking' where co-operation, co-ordination and complicity is elicited across all ministries and sectors to push for advocacy and policy reforms reflecting cross cutting policies and practices to advance participatory integrated SLFM in the project provinces and in I.R. of Iran in the long term.

5. OVERSIGHT, MONITORING AND EVALUATION AND REPORTING

5.1. Oversight and reviews

Project oversight will be carried out in a balance between periodic validation by the Project Steering Committee and FAO. Project oversight will be facilitated by: (i) establishing appropriate levels of management authority to provide timely direction, coordination, control and review; (ii) ensuring project management accountability; (iii) documenting project transactions and results through traceability of related documents throughout the implementation of the project; (iv) ensuring that project is implemented within the planned activities applying established standards and guidelines; (v) continuously identification and monitoring of project risks and risk mitigation strategies; and (vi) ensure all project outputs are produced in accordance with the Project Document and Log Frame.

Project oversight will take into account: (i) schedule; (ii) planned versus budgeted expenses; (iii) actual versus planned expenses; (iv) cost projections; (v) timely delivery of inputs; (vi) timely achievement of outputs and outcomes; (vii) review of risks and assessment of risk mitigation strategies; and (viii) stakeholder feedback. At any time during project execution, underperforming subcomponents may be required to undergo additional assessments, implement changes to improve performance or be halted until remedies have been identified and implemented. Additionally, oversight activities provide information, judgments, and recommendations to the project management team during project reviews and in support of project decision milestones.

FAO will provide oversight and monitor project progress largely through the recording and verification of inputs, including financial disbursements and technical levels-of-effort, and the quarterly project implementation reports (QPIRs), quarterly project progress reports (PPRs) and periodic supervision and backstopping missions. Financial inputs (disbursements) will be largely drawn from FAO's financial management system, while technical inputs will be drawn from QPIRS, PPRs, and reports produced by the project team (National Project Manager (NPM) and Provincial Project Managers (PPMs)) with support from the Chief Technical Advisor (CTA). The project's M&E system will monitor project based on the outcome and output indicators and timeframe for delivery as stated in the project logframe and agreed project work plan. The system will compare financial disbursements to technical activities programmed in the project work plan and identify and assess any significant discrepancies between the two.

A detailed schedule of project reviews will be developed by the project team under the guidance of the National Project Manager, in consultation with FAO (LTU and BH) and other project implementation partners, during the early stages of project initiation, and incorporated in the Project Inception Report. Such a schedule will include methodologies and tentative time frames for project progress, reviews and evaluation reports.

Project Revisions

The following types of revisions may be made to this project document with the approval of the FAO GEF Coordination Unit in consultation with the LTU and BH, provided that the FRWO express their no-objection to the proposed changes:

- Minor revisions that do not involve significant changes in the immediate objectives, outputs or activities of the project, but are caused by the rearrangement of inputs already agreed to or by cost increases due to inflation. These minor amendments are changes in the project design or implementation that could include, *inter alia*, changes in the specification of project outputs that do not have significant impact on the project objectives or scope, changes in the work plan or specific implementation targets or dates, renaming of implementing entities, or reallocation of grant proceeds not affecting the project's scope;
- Revisions in, or addition of, any of the annexes of the project document;
- Mandatory annual revisions which rephrase the delivery of agreed project inputs or take into account agency expenditure flexibility.

All minor revisions shall be reported in the annual Project Implementation Review (PIR) report that will be submitted by FAO to the GEF Evaluation Office.

5.2 Project Monitoring, Evaluation and Reporting

Monitoring

Systematic and day-to-day monitoring will be undertaken by the National Project Manager (NPM) who will, with support from the Provincial Project Managers (PPMs) and the CTA and, in close consultation with the National Project Director, establish project monitoring and evaluation procedures acceptable to FAO and consistent with GEF monitoring and evaluation policies and practices. The NPM will prepare quarterly project progress reports, together with annual work plans and budgets, and inputs for the annual Project Implementation Review (PIR) with support from the project team.

The NPM, NPD, FAOR/Iran and LTU will monitor the implementation progress of project supported activities as well as measure their impact. Project progress will be monitored based on the outcome and output indicators and timeframe for delivery as stated in the Project logframe (Annex 10). Considering that the main focus of the project is promoting and implementing SLFM by building the technical and operative capacities at national, provincial and village levels, the indicators are mainly process, institutional and on the ground impact indicators. Information generated through the M&E system developed under project component 4a. will be made available for real time project management, project external evaluations (mid-term review and final evaluation) as well as for use by stakeholders and decision makers.

The Annual Work Plan and detailed budget, based on the project logframe, are the central tools for guiding the work of the project and ensuring compliance of project activities. They will be prepared by the project team, reviewed by the LTU and the BH and submitted to the Project Steering Committee for endorsement within two months of the commencement of each calendar year.

Under the M&E system the following activities will be developed: (i) recruitment of a monitoring and evaluation specialist and provision of training on M&E to the project team; (ii) definition of specific methods and tools to monitor project indicators; (iii) development of a data collection and M&E system; (iv) undertaking of strategic planning, and the monitoring and evaluation of project activities (operational progress, outputs, and outcomes); and (v) develop a systematic supervision system of the contracted agencies for forest data collecting.

Project progress monitoring will assess whether the management and supervision of project activities is efficient, whether output targets are achieved as planned in the Results Framework, and seek to improve efficiency and the overall effectiveness of project implementation when needed. It is a continuous process, during which information about the implementation of activities programmed in the annual work plans is collected and monitored. This activity will be the direct responsibility of the project team (NPM, in collaboration with the PPMs and technical experts in the two provincial project offices) with support from the CTA under guidance of the NPD.

The project's success in achieving its outcomes will be monitored continuously through the project quarterly project progress reports, annual summary progress reports, annual Project Implementation Review (PIR) and a mid-term review and final evaluation. Key outcome indicators are those identified in the project logframe and will guide and provide evidence of achievements. The outcome indicators will be tested and refined, if necessary during the inception workshop. The CTA will give technical support to the project team and project offices (POs) in monitoring activities.

Reporting

Specific reports that will be prepared under the M&E program are: (i) project inception report; (ii) quarterly project implementation reports (QPIRs) completed by the BH; (iii) quarterly project progress reports (PPRs); (iv) annual Project Implementation Review (PIR); (v) biodiversity and land degradation tracking tools reports; (vi) technical reports; (vii) co-financing reports; and (viii) terminal report.

a) Project Inception Report – After FAO approval of the project, an inception workshop will be held. Immediately after the workshop, the National Project Manager, with inputs from the project team and the CTA will prepare a project inception report in consultation with the National Project Director and other project partners. The report will include a narrative on the institutional roles and responsibilities and coordinating action of project partners, progress to date on project establishment and start-up activities and an update of any changed external conditions that may affect project implementation. It will also include a detailed First Year Annual Work Plan and Budget (AWP/B) divided into monthly timeframes detailing the activities and progress indicators that would guide implementation during the first year of the Project. As part of the AWP/B, a detailed project budget for the project's first full year of implementation will accompany the inception report and include all monitoring and supervision requirements. The draft report will be circulated to FAO (LTU and BH) and the Project Steering Committee for review and comments before its finalization, no later than three months after project start-up.

b) Quarterly Progress Implementation Reports - At the end of every three months during each project year Quarterly Project Implementation Reports (QPIR) will be prepared by the Budget Holder and submitted to the LTU and the GEF Coordination Unit. The QPIR is used to identify constraints, problems or bottlenecks that impede timely implementation and take appropriate remedial action. The QPIR is based on a comparison of performance against the AWP, primarily through examination of planned expenditure and disbursement in each quarter. Based on each QPIR, the BH, in consultation with the LTU, will provide feedback and recommendations for action to the project team. The reports will be submitted one month after the end of each quarterly reporting period (31 March, 30 June, 30 September and 31 December).

c) Quarterly Project Progress Report – The National Project Manager (NPM) will prepare quarterly Project Progress Reports (PPR) with inputs from the project team and the CTA covering the periods January-March, April-June, July-September, October-December. The reports will be submitted to FAOR/Iran, FAO Lead Technical Unit and the GEF Coordinator in the Investment Centre Division (TCI) for review. These reports will be submitted no later than one month after the end of quarterly reporting period. The work plan will be updated on a six-monthly basis for review of the Project Steering Committee.

d) Project Implementation Review - The LTU, with inputs from NPM and CTA, will prepare an annual Project Implementation Review (PIR). The PIR will include a narrative on project activities and eventual implementation barriers and difficulties and will assess progress in achieving project global environmental objectives, outcomes and outputs and their sustainability, and risk factors and their mitigation measures. It will also report on progress towards achieving the focal area objectives. The PIR will be submitted to the GEF Coordination Unit in TCI for review and approval. The GEF Coordination Unit will submit the final report to the GEF Secretariat.

e) Technical Reports – Technical reports will be prepared as established in the project logframe. The drafts of any technical reports must be submitted by NPM (FRWO) to the CTA and FAO LTU for review and clearance, prior to finalization and publication. Copies of the technical reports will be distributed to the Project Steering Committee and other project partners as appropriate. These will also be posted on the FAO Field Programme Management Information System (FPMIS).

f) Project Terminal Report – Within two months of the project completion date FRWO (NPM) will submit to FAO a draft Terminal Report, including a list of outputs and outcomes, summary of activities concluded including any deviations from original project document, “lessons learned” and any recommendations to improve the efficiency of similar activities in the future. This report will in particular include the findings of the final evaluation as described above and will be the definitive statement of the project’s activities over the five-year duration.

h) Co-financing Reports – FRWO (NPM in consultation with the NPD) will be responsible for collecting the required information and reporting on in-kind and in cash co-financing provided by the Government of Iran in a timely manner and will transmit such information to FAO (BH and LTU). The report will be provided to FAO on an annual basis, effective for the period 1 July to 30 June, and will be included in the annual Project Implementation Review.

i) GEF-4 Tracking Tool Reports - Following the GEF orientation and procedures, the tracking tool for biodiversity and land degradation focal areas will be submitted at three moments: (i) with the project document at CEO endorsement; (ii) at the project’s mid-term evaluation; and (iii) with the project’s terminal evaluation or final completion report. See the biodiversity tracking tool attached in a separate file.

All reports will be uploaded on the FAO Field Programme Management Information System.

Evaluation

An independent Mid-Term Review will be undertaken at the end of the third year of the project to review progress and effectiveness of implementation in terms of achieving project objective, outcomes and outputs. Findings of this review will be incorporated as recommendations and will be instrumental for bringing improvement in the overall project design and execution strategy for the remaining period of the project's term if necessary. FAO will arrange for the Mid-Term Review in consultation with the project team. The review will, *inter alia*:

- a) review the effectiveness, efficiency and timeliness of project implementation;
- b) analyze effectiveness of implementation and partnership arrangements;
- c) identify issues requiring decisions and remedial actions;
- d) identify lessons learned about project design, implementation and management;
- e) highlight technical achievements and lessons learned; and
- f) propose any mid-course corrections and/or adjustments to the implementation strategy as necessary.

An independent Final Evaluation will be carried out three months prior to project completion and presented at the final Project Steering Committee meeting. The final evaluation would aim to identify the project impacts and sustainability of project results, and the degree of achievement of long-term results. This evaluation would also have the purpose of indicating future actions needed to assure continuity of the SLFM activities and upscaling of project outputs and outcomes.

Some critical issues to be emphasized in both evaluations will be: (i) the level of participation of national, provincial and local key stakeholders in the national and provincial level committees and villages councils; (ii) the level of awareness among key stakeholders at national, provincial and local levels on SLFM, BD and LD. (iv) how the users assess the quality and usefulness of the SLFM and the information generated; and (v) effectiveness of incorporation of instrument and policy recommendations for mainstreaming SLFM into different departments and cross-sectoral policies and programmes.

The Terms of Reference (TORs) for the Mid-term Review and Final Evaluation will be prepared by the FRWO (National Project Manager) in close consultation with the National Project Director, the CTA, the FAO Lead Technical Unit and under the ultimate responsibility of FAO Office of Evaluation, in accordance with FAO evaluation procedures and taking into consideration evolving guidance from the GEF Evaluation Office. The TORs and the report will be discussed with and commented upon by the project partners.

The indicative M&E budget of the project along with the responsible parties and the tentative timeframe are presented in Table 2 below.

As mentioned earlier participatory integrated SLFM approach is new in Iran. GEF inputs are critical in ensuring adequate funding is available to build capacities of local stakeholders, provincial and national representatives in participatory integrated monitoring of implemented activities through workshops and field visits envisaged in the project. Such 'ground up' capacity building is critical to ensure continued participation of local and provincial stakeholders empowered with a clear understanding of linkages of resource use and ecosystem services. Without GEF inputs such capacity building for M&E may not be possible. This may result in reverting any accomplishments made through the project activities during and after LOP.

6. FINANCIAL MANAGEMENT

6.1 Financial Records

FAO shall maintain a separate account in United States dollars for the GEF component of the project showing all income and expenditures. Expenditures incurred in a currency other than United States dollars shall be converted into United States dollars at the United Nations operational rate of exchange on the date of the transaction. FAO shall administer GEF component of the project in accordance with its regulations, rules and directives

6.2 Financial Reports

The Budget Holder, supported by the Operational and Finance Officer, shall prepare quarterly project implementation reports (QPIRs) for review of the LTU and GEF Coordination Unit and six-monthly project expenditure accounts and final accounts for the Project, showing amount budgeted for the year, amount expended since the beginning of the year, and separately, the unliquidated obligations as follows:

- (i) Details of project expenditures on a component-by-component and output basis, reported in line with project budget codes as set out in the Project Document Annex 1, as at 30 June and 31 December each year.
- (ii) Final accounts on completion of the project on a component-by-component cumulative basis, reported in line with project budget codes as set out in the Project Document Annex 1.
- (iii) A final statement of account in line with FAO Oracle project budget codes, reflecting actual final expenditures under the GEF component of the project, when all obligations have been liquidated.

The Budget Holder will submit the financial reports for review and monitoring by the LTU, and the GEF Coordination Unit and the Finance Division (CSF). Financial reports for submission to

the donor (GEF) will be prepared in accordance with provisions in the GEF Financial Procedures Agreement with the GEF Trustee and submitted by the FAO Finance Division.

6.3. Budget Revisions

Semi-annual budget revisions will be prepared by the Budget Holder, supported by the operational and Finance Officers, in accordance with FAO standard guidelines and procedures.

6.4. Responsibility for Cost Overruns

Under no circumstances can expenditures exceed the approved total project budget for the GEF component or be approved beyond the NTE date of the project. Any over-expenditure is the responsibility of the Budget Holder.

The Budget Holder is authorized to enter into commitments or incur expenditures up to a maximum of 20 percent over and above the annual amount foreseen in the GEF component of the project budget under any budget sub-line provided the total cost of the annual budget is not exceeded.

Any cost overruns (expenditure in excess of the budgeted amount) on a specific budget sub-line over and above the 20 percent flexibility should be discussed with the FAO GEF Coordination Unit with a view to ascertaining whether it will involve a major change in project scope or design. If it is deemed to be a minor change, the budget holder shall prepare a budget revision in accordance with FAO standard procedures. If it involves a major change in the project's objectives or scope, a budget revision and justification should be prepared by the Budget Holder for discussion with the GEF Secretariat.

Savings in one budget sub-line may not be applied to overruns of 20 percent in other sub-lines even if the total cost remains unchanged, unless this is specifically authorized by the FAO GEF Coordination Unit upon presentation of the request. In such a case, a revision to the project document amending the budget will be prepared by the Budget Holder.

6.5 Audit

GEF component of the project shall be subject to the internal and external auditing procedures provided for in FAO financial regulations, rules and directives and in keeping with the Financial Procedures Agreement between the GEF Trustee and FAO.

The audit regime at FAO consists of an external audit provided by the Auditor-General (or persons exercising an equivalent function) of a member nation appointed by the governing bodies of the Organization and reporting directly to them, and an internal audit function headed by the Inspector-General who reports directly to the Director-General. This function operates as an integral part of the Organization under policies established by senior management, and furthermore has a reporting line to the governing bodies. Both functions are required under the Basic Texts of FAO which establish a framework for the terms of reference of each. Local audits of imprest accounts, records, bank reconciliation and asset verification take place at FAO field and liaison offices.

7. COMMUNICATION AND VISIBILITY

A communication and visibility strategy will be prepared during project inception phase. The strategy will include (i) definition of overall communication objectives, target groups, specific objectives for each target group; (ii) definition of communication activities (main activities that will take place during the duration of the project as well as identification of communication tools chosen; (iii) definition of indicators of achievement – consistent with those set out in the logical framework - (completion of the communication objectives, provisions for feedback); (iv) detailed estimation and planning of resources needed (human and financial resources). The communication approach will be based on three channels:

a) Outward channel – To communicate with I.R. of Iran Government and FAO-GEF about issues, risks and exceptions. Tools to be used: exception reports, quarterly progress reports, e-mail updates, face-to-face reviews and communication plan and remote tools (Extranet, p.e. WebEx, etc.)

b) Inter-party channel – Communicate to national and local partnerships and stakeholders. It involves negotiation of budgets, work plan execution, reporting and information availability. Tools to be used: Project Steering Committee, statement of work, signed agreements, Intranet and Extranet (i.e. WebEx, etc.), e-mail.

c) Intrateam channel – Provide direction to project team. Involve highlights tasks pending, schedule tasks, dates, and general team briefings. Tools to be used: verbal exchanges, agendas, minutes, Intranet, Extranet (i.e. WebEx, etc.), e-mail, project brief, project plan, issue logs, communication plan and monitoring reports. Internal communication within the project team will be used to meet four major communication needs, such as: (i) responsibility of each team member for different parts of the project; (ii) coordination information that enables team members to work together efficiently; (iii) status information tracking the progress, identifying problems and enabling team members to take corrective action; (iv) authorization information that relates to the project and its environment, and enables the team members to keep all project decisions synchronized.

Proposed tools for visibility are:

General aspects – Project team under with support from the CTA, LTU and FAO communication team will ensure that general aspects of project visibility are fulfilled, such as: (i) visual identity of project and partners; (ii) highlighting the project' partners in media interviews, press releases, etc.); (iii) supporting documents such as photos of logos in the field, photos of activities, copies of press released will be included in the progress and final reports.

Basic visibility at field level – At this level visibility strategy will consider: (i) signboards, display panels and banners; (ii) operational publications and materials such as training manuals and posters; (iii) supplies and equipments.

Printed publications – Brochures, leaflets, flyers and other publications to project activities and results.

Website and webpage – It will include: (i) partnerships and links; (ii) project information (objectives, activities, expected results, etc.).

Media contacts – It will be used to reach effectiveness in communicating to large audience, through press release, interviews and press conferences.

Photos and photos exhibitions –Panels with photos showing project activities will be used during project events.

Audiovisual – (i) a Documentary for distribution by the media (mainly for television, campaigns and Internet) will be prepared to disseminate the project lessons learnt and results including technical information and practices to local population, project partners and authorities. .

Public events – Many types of events are possible and attracting media interest will always be a key consideration in making the events cost-effective. The annual seminar regarding forest policies and participatory evaluation of project's results and expectations from stakeholders will be part of such events. Press release will be an integral part of the events.

ANNEX 2: Forests, Agriculture and Rangeland research in Iran

Rangeland, forestry, plant breeding and genetic resources researches have a pivotal role in biodiversity conservation and optimum utilization of soil & water resources. Some agencies and their research in I. R. Iran relevant to RFLDL are:

1. Seed and Plant Improvement Institute¹: Also called the Gene Bank, its current and future research include: promoting the quality of conservation & utilization activities for plant genetically resources; precise assessment for finding valuable agricultural resources; development the relation of plant inheritance reserves collections in several part of the country and establishment an inheritance reserves network; collecting & conservation inheritance reserves for fruit trees, special and vulnerable species; identify specific genes, develop genetic markers from important native cultivars of valuable agronomic value and transfer them to commercial cultivars; use develop biotechnological methods for conservation & utilization of plant genetic resources, protect local resource rights.

2. Provincial Research Centers for Agriculture and Natural Resources of MoJA:

List of relevant research in Kerman province includes but not limited to: 1. Evaluation of Tamarix's habitat in terms of edaphic conditions: 2. Comparison of drought resistance among the three species of Haloxylon: 3. Determining the depth and duration of irrigation in Canola cultivation: 4. Determining the most appropriate time for harvesting and finding the best method for packaging commercial species of date palm (Mozafati date)

Research in South Khorasan includes but not limited to: 1. Comparing the yield in different Barley species under drought conditions; 2. Collecting, restoring and evaluation of different species belong to Apiaceae family and legumes; 3. Collecting, determining and evaluation germ plasma in domestic species of Jujube; 4. Designing living and non-living windbreaks using wind threshold velocity in order to protect crops.

3. Research Institute for Forests and Rangeland^{xxxv}: RIFR is the research entity at the national level under the MoJA. Ongoing research includes and is not limited to : Rangeland monitoring and evaluation; introduction of the high production plants for improving rangeland capacity; updating the vegetation maps and producing integrated map of density, vegetation type, climate and land capability; maintaining database of the rangelands vegetation; determining the forage production in rangelands; evaluate preference value of the rangeland species and livestock behaviour; determine the allowable use factor in rangeland species, forage consumption in the months of the grazing season; optimum time for entry and exit of the livestock; Forage quality in key species; study and evolve methods for determining the range condition.

¹ <http://en.spii.ir/sespii/default.aspx?page=Document&app=Documents&docId=11507>

ANNEX 3: Site Selection Criteria

Indicators used for project site selection include:

1. General indicators:

- Distance from the pilot site to the provincial capital and the nearest airport
- Presence of key infrastructure such as roads, electricity, telephone, etc
- Existing related studies
- Administrative & institutional capabilities
- Previous experience in carrying out natural resources management activities
- Project acceptance on the part of the local authorities
- Presence of nearby climatology & research stations
- National priority
- Legal situation (land ownership)

2. Ecological Indicators:

- The area should contain the types of ecosystems and agro ecosystems mentioned in the PIF & the PPG documents
- The area should have potential for the rehabilitation of its degraded natural resources and be capable of achieving the objectives of the project
- The area should be representative of a wider area so that the project's achievements can be replicated elsewhere in Iran.

3. Socioeconomic Indicators:

- The existence of NGOs & local communities within the area
- The willingness of the local people to participate as partners in the project activities
- Dependence of the local population on forest lands
- Natural resource based livelihoods
- Age and gender composition (youth & women)
- Existence of credit funds

ANNEX 4: Project Sites Description

Rigan (Kerman Province) and Se Ghale (South Khorasan) are representative of typical arid and semi arid regions of I.R. of Iran subject to wind and water erosion. Water erosion occurs in uplands while wind erosion takes place in low lands and flat plains; where, wind blows away loose and detached soil particles from flat and un-protected lands in arid and semi-arid areas. Both these processes are intricately linked to each other and the underlying unsustainable land management practices including overgrazing, overharvesting of natural resources, unsustainable agricultural practices resulting in decreasing ground cover and diversity and increasing unsustainable use of ground water for irrigation (discussed earlier in Section 2).

Kerman and South Khorasan lie in the transition region between two phytogeographical zones: the Irano-Touranian and the Saharo-Sindian exhibiting rich diversity of species characteristic of semi-arid to arid climate. The Irano-Turanian species are found in the uplands areas, while the Saharo-Sindian species are common of the lowland areas.

Location and Area of Pilot sites:

1. Rigan: Rigan pilot site with a total land area of 587,461 ha is located within Rigan township area in east part of Bam city. This pilot lies at longitude; 580 23/ to 590 33/ East and latitude; 280 05/ to 280 59/ North. The project site contains two different topographic features: plains and mountains. The southern parts are entirely mountainous with South-North slope reduction. Wind erosion is occurs mostly in northern parts of the project area.

The mean annual precipitation of plains and mountains is estimated 55 and 140 mm, respectively, much less than the average for Iran (250 mm). In addition to low precipitation, high amount of evaporation (3398 mm) and hot winds with considerable velocity are other climatic parameters that strongly influence the area. Seasonal rivers such as Nesa, Ab Barik, Gaz Bahman and Konar Nai are part of the watershed. All rivers are temporary except Ab Barik. Four basins Nesa, Ab Barik, Konar Nai and Maki and Gvakan basins and their outputs pass from the plain areas in Rigan into the Loot desert.

Watershed management in the project areas have the goals of increasing the output discharge of springs, wells and qanats; decreasing the effect of drought in arid years; soil erosion control; decreasing the peak discharge of floods to prevent the financial damages; development of horticulture and increasing output in cultivated lands. RFLDL project could find potential opportunities in: learning lessons from the Ab barik artificial aquifer recharging project; establishing linkages to the Nesa dam, and to existing agro forestry interventions addressing drought and wind erosion in the area. A focused approach to understand and explore linkages with ongoing projects during the inception mission of RFLDL is critical to generating recommendations and lessons for consideration in the formulation and implementation of VLPs and WLPs.

Wind Erosion studies in Rigan indicate that water erosion usually takes place in southern parts while wind erosion usually occurs in central as well as Northern areas (see map ---for details). PPG studies indicate that a total of 345411.7 ha are being affected by wind erosion in Rigan District. Wind erosion is severe in most parts of the area and causes transport of 11.97 million tons of sand particles per year (equal to 27.62 tons/ha/year). Studies indicate that flat areas are more sensitive to wind erosion.

Significant differences in vegetation cover between the lowlands and the uplands are caused by the difference in precipitation (ranging between 55 to 140 mm in lowland and uplands), availability of water, wind erosion and human interaction. Scarce vegetation cover (13%) in the lowlands is mainly dominated by bush-like species highly adapted to harsh climatic conditions, dominated by saline soils and warm winds, such as *Hammada* sp., *Haloxylon* sp. and *Calligonum* sp. Sparse stands of *Tamarix* spp. and *Prosopis* sp. can be found in the lowlands along with planted stands of *Tamarix* and *Haloxylon* (e.g., around Gombaki village). In the uplands the vegetation cover reaches 30% and is mostly arboreal or arbustive, with many indigenous species. Wild almond, wild pomegranate, wild figs and the native *Acer monspessulanum* are found in the area. PPG studies indicate a decrease in vegetation cover in the last 10 years due to over grazing, over harvest of woody species for fuel abetted by extended drought. *Stipagrostis plumos*, *Phragmites australis*, *Capparis spinosa*, *Aeloropus littoralis* and *Pennisetum orientale* are commonly found in the transition zone of Irano-Touranian and Saharo- Sindian zones. PPG studies indicate that *Caparis spinosa*, *Glycyrrhiza glabra* and *Citrulus colocynthis* of medicinal value have decreased in the last decades. Other species of industrial value are *Sediltzia rosmarinus* (preferred species for camels and used in soap production). *Alhaji camelorum*, known as invader plant by range experts (but is grazed by camel and used as a medicinal plant) is found in increasing numbers. *Tamarix* spp., *Calligonum* spp., *Prosopis* spp, *Haloxylon* spp and *Hammada* spp adapted well for wind erosion are found near villages and farmlands.

Besides rangelands and forests (natural and planted forests), land is used for date palm and citrus gardens, farmlands with wheat, barley and alfalfa. Natural forests have *Prosopis* and various species of *Tamarix* stands while *Haloxylon* is commonly observed in planted forests planted to combat wind erosion and desertification.

Frequent range species include *Amygdalus ebournea*, *Amygdalus eleagnifolia*, *Amygdalus scoparia*, *Hertia intermedia*, *Acer monspessulanum*, *Juniperus polycarpus*, *Lactuca orientalis*, *Launea microphylla* *Hammada salicornica*, *Stipagrostis plumose*, *Salsola crassa*, *Alhagi camelorum*, *Rhazya strica*, *Launaea acanthades*(native), *Peganum harmala* (native), *Ziziphora ptenuior*, *Penisetum orientale*, *Cornulaca monocantha*, *Hertia intermedia* are some of the frequently seen species in the rangelands (see Annex ____ for detailed listing of flora). These rangelands are considered under the category of poor to very poor (5-25% canopy cover) and require urgent attention to initiate recovery.

2. Se Ghaleh:

Se Ghaleh pilot site has a total area of 163,568 ha and is located within Sarayan township area. This pilot watershed is bounded on the North and East by mountainous regions and the rest are plains. This pilot lies at longitude; 570 61/ to 580 49/ East and latitude; 330 34/ to 340 07/ North. There are large scale farmlands in South and West-South of the proposed area. Fixed sand dunes by biological activities such as planting suitable species can be found in South-West of the project site and in the neighborhood of Se Ghaleh town. Water erosion in this site takes place in Northern, North Eastern and few areas in South East while wind erosion usually occurs in central as well as Western and Southern parts of the site.

Results of the PPG studies illustrate that an area of 87484.8 ha is being affected by wind erosion. Wind erosion transports 1.77 million tons of sand particles per year (equal to 15.86 tons/ha/year). Most of the flat areas are sensitive to erosion.

Wind Erosion Hot Points (W.E.H.P) in pilot sites:

Wind Erosion Hot Points (W.E.H.P) includes parts of wind-erosion affected areas in which biological (human, animal, vegetation cover,) and socio-economic (road, railroad, residential and industrial) resources are affected and extensively damaged illustrated strongly by the socio-economic conditions of the area. The WEHP's were identified based on the following indicators: experiences of relevant local experts; maps of detachment, transport and sedimentation areas; economic value of damages caused by wind erosion; Vegetation cover density; Frequency of sand storms; frequency of implementing urgent management measures to control wind erosion and reduce the adverse affects.

The WEHP of Rigan site lies at longitude $58^{\circ} 34'$ to $59^{\circ} 34'$ East and latitude $28^{\circ} 23'$ to $28^{\circ} 59'$ North. The total amount of damages of W.E.H.P in Rigan was estimated to be around 1137957 thousand Rials including loss incurred to residential and industrial areas, damage to main and secondary roads, damage to farm lands, and damage to biological resources.

The WEHP in Sa Ghaleh lies at longitude $58^{\circ} 16'$ to $58^{\circ} 41'$ East and latitude $33^{\circ} 36'$ to $34^{\circ} 00'$ North. The total amount of damages of W.E.H.P in Rigan was estimated to be around at 33725377 thousand Rials.

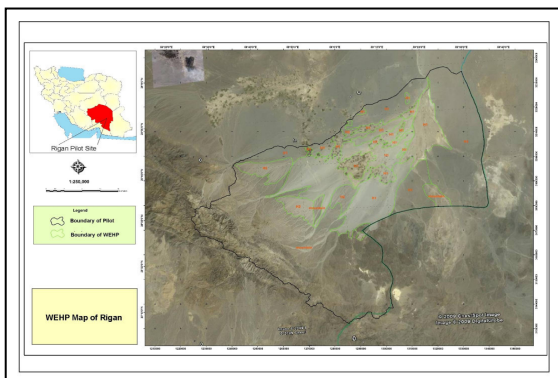


Fig.6.1 Map of W.E.H.P in Rigan

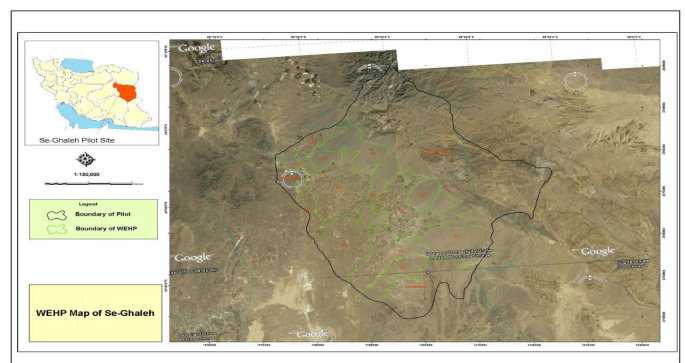


Fig.6.2 Map of W.E.H.P in Se Ghaleh

Annex 4 A

Floristic list of species found in the plains in project sites

No.	Scientific name	Family	Phytogeographical Region	Growth form	Life form	Origin	Utilization
1	<i>Agriophyllum minus</i>	Chenopodiaceae	IT	Grass	A	N	F-CD
2	<i>Anabasis aphylla</i>	Chenopodiaceae	IT	Shrub	P	N	F
3	<i>Cornulaca leucacantha</i>	Chenopodiaceae	IT	Shrub	A-P	N	F-CD
4	<i>Hammada salicornica</i>	Chenopodiaceae	IT	Tree	P	N	F-CD
5	<i>Londesia eriantha</i>	Chenopodiaceae	IT	Forb	A	N	F
6	<i>Seidlitzia rosmarinus</i>	Chenopodiaceae	IT	Tree	P	N	F-I
7	<i>Suaeda acuminata</i>	Chenopodiaceae	IT	Forb	A	N	F
8	<i>Centaurea viriyatalam</i>	Compositae	IT	Forb	P	N	F
9	<i>Scorzonera mucida</i>	Compositae	IT	Forb	A	N	F
10	<i>Cyperus eremicus</i>	Cyperaceae	IT	Forb	P	N	F
11	<i>Cyperus rotundas</i>	Cyperaceae	IT	Forb	P	N	F-M
12	<i>Stipagrostis plumosa</i>	Eramineae	IT-SS	Shrub	P	N	F
13	<i>Nepeta cataria</i>	Labiatae	IT	Grass	P	N	F-M
14	<i>Salsola crassa</i>	Chenopodiaceae	IT	Forb	A	N	F
15	<i>Calligonum polygonoides</i>	Polygonaceae	IT	Tree	P	N	F-CD
16	<i>Calligonum persicum</i>	Polygonaceae	IT	Tree	P	N	F-CD

17	<i>Calligonum comosum</i>	Polygonaceae	IT	Tree	P	N	F-CD
18	<i>Tamarix stricta</i>	Tamaricaceae	IT	Tree	P	N	CD
19	<i>Tamarix kermanemiss</i>	Tamaricaceae	IT	Tree	P	N	F-CD
20	<i>Tamarix bachtiarica</i>	Tamaricaceae	IT	Tree	P	N	F
21	<i>Tamarix aphylla</i>	Tamaricaceae	IT	Tree	P	N	F-CD
22	<i>Prosopis spicigera</i>	Mimosaceae	IT	Tree	P	N	F-CD
23	<i>Prosopis stephaniana</i>	Mimosaceae	IT	Shrub	P	N	F
24	<i>Ziziphus spinachristii</i>	Rhamnaceae	IT	Tree	P	N	F-I
25	<i>Haloxylon persicum</i>	Chenopodiaceae	IT	Small Tree	P	N	F
26	<i>Haloxylon ammodendron</i>	Chenopodiaceae	IT	Small Tree	P	N	F
27	<i>Alhagi camelorum</i>	Papilionaceae labiatae	IT	Shrub	P	N	F-M
28	<i>Glycyrrhiza glabra</i>	Papilionaceae labiatae	IT	Shrub	P	N	F-M
29	<i>Dianthus macranthus</i>	Caprifoliaceae	IT	Forb	A	N	F-M
30	<i>Caltropis procera</i>	Aselepiadaceae	IT	Tree	P	N	F
31	<i>Rhazia strica</i>	Apocynaceae	IT	Tree	P	N	F-M
32	<i>Launaea acanthades</i>	Composita	IT	Shrub	B	N	F
33	<i>Fortuynia bungei</i>	Cruciferae	IT	Shrub	P	N	F-CD
34	<i>Phragmites australis</i>	Gramineae	IT-SS	Shrub	P	N	F-CD

35	<i>Convolvulus acanthocladus</i>	Convolvulaceae	IT	Shrub	P	N	F-CD
36	<i>Sonchus oleraceus</i>	Compositae	IT	Tree	P	N	CD
37	<i>Capparis spinosa</i>	Capparidaceae	IT-SS	Shrub	P	N	F-M
38	<i>Peganum harmala</i>	Zygophyllaceae	Cosm	Shrub	P	N	M
39	<i>Ziziphora ptenuior</i>	Labiatae	IT	Forb	A	N	F-M
40	<i>Heliotropium circinnatum</i>	Boraginaceae	IT	Forb	P	N	F
41	<i>Cornulaca monoccantha</i>	Chenopodiaceae	IT	Shrub	A	N	F-CD
42	<i>Aeloropus littoralis</i>	Gramieae	IT-SS	Shrub	P	N	F
43	<i>Pycnocycla spinosa</i>	Umbellifera	IT	Shrub	P	N	F
44	<i>Citrullus colocynthis</i>	Cucuvbitaceae	IT	Shrub	A	N	M
45	<i>Pennisetum orientale</i>	Gramineae	IT-SS	Forb	P	N	F

Key: IT: Irano-Touranian SS: Saharo-Sindian

A: Annual P: Perennial N: Native

F: Forage (grazing) CD: Planted for Combating Desertification

M: Medicinal I: Industrial

Note: All of the species are native. *Calligonum spp.* and *Tamarix spp.* and *Haloxylon spp.* are species used more in artificial planting to combat desertification.

Annex 4 B

Floristic list of species found in the uplands in project sites

No.	Scientific name	Habitat	Family	Growth form	Life form	Origin ality	Utilization
1	<i>Acantholimon festucacum</i>	IT	Plumboginaceae	Camophyte	Prennial	N	F
2	<i>Acanthophyllum sp</i>	IT	Caryophyllaceae	Camophyte	Prennial	N	M-I
3	<i>Acer monospeulanum</i>	IT	Aceraceae	Phanerophyte	Prennial	N	F
4	<i>Amygdalus ebournea</i>	IT	Rosaceae	Phanerophyte	Prennial	N	M-I
5	<i>Amygdalus eleagnifolia</i>	IT	Rosaceae	Phanerophyte	Prennial	N	M-I
6	<i>Amygdalus scoparia</i>	IT	Rosaceae	Phanerophyte	Prennial	N	M-I
7	<i>Alhaji camelerum</i>	IT	Papilionaceae	Hemicryptophyte	Prennial	N	F-M
8	<i>Allysum sp</i>	IT	Cruciferea	Throphyte	Annual	N	F
9	<i>Artemisia auchei</i>	IT	Compositaeae	Camophyte	Prennial	N	F-M-I
10	<i>Arundo sp</i>	IT	Gramineae	Camophyte	Prennial	N	F
11	<i>Astragalus parrowiana</i>	IT	Papilionaceae	Camophyte	Prennial	N	F-M-I
12	<i>Astragalus</i>	IT	Papilionaceae	Camophyte	Prennial	N	F-M-I
13	<i>Berberis vulgaris</i>	IT	Berberidaceae	Phanerophyte	Prennial	N	M-E
14	<i>Boissiera squroosa</i>	IT	Gramineae	Throphyte	Annual	N	F

15	<i>Bonium persicum</i>	IT	Umbifereae	Cryptophyte	Annual	N	F-M-I
16	<i>Bromus dantonia</i>	IT	Gramineae	Throphyte	Annual	N	F
17	<i>Bromus tecterum</i>	IT	Gramineae	Throphyte	Annual	N	F
18	<i>Circium sp</i>	IT	Compositae	Hemicryptophyte	Prennial	N	F
19	<i>Cichorium sp</i>	IT	Compositae	Hemicryptophyte	Prennial	N	F-M
20	<i>Convolvulus sp</i>	IT	Convolvulaceae	Camophyte	Prennial	N	F
21	<i>Calligonum commosum</i>	IT	Chenopodiaceae	Phanerophyte	Prennial	N	F
22	<i>Cymbopogon olivierie</i>	SS	Gramineae	Hemicryptophyte	Prennial	N	F-M-I
23	<i>Cymbopogon parkeri</i>	SS	Gramineae	Hemicryptophyte	Prennial	N	F-M-I
24	<i>Dianthus sp</i>	IT		Throphyte	Annual	N	F-M
25	<i>Descourmia Sophia</i>	IT	Crucifereae	Hemicryptophyte	Prennial	N	F-M
26	<i>Daphne sp.</i>	IT	Daphnaceae	Phanerophyte	Prennial	N	-
27	<i>Ebenus stellata</i>	IT	Papilionaceae	Cryptophyte	Prennial	N	F
28	<i>Echinops robostrus</i>	IT	Compositae	Cryptophyte	Prennial	N	F-M
29	<i>Eringium bungie</i>	IT	Umbifereae	Hemicryptophyte	Prennial	N	F
30	<i>Ficus carica</i>	IT	Moraceae	Phanerophyte	Prennial	N	F-E

31	<i>Gundelia tournefortii</i>	IT	Compositae	Hemicryptophyte	Prennial	N	F-E
32	<i>Glycyrrhiza glabra</i>	IT	Papilionaceae	Hemicryptophyte	Prennial	N	F-M-I
33	<i>Geobelia sp</i>	IT	Papilionaceae	Hemicryptophyte	Prennial	N	F
34	<i>Heliotropium sp</i>	IT	Boraginaceae	Hemicryptophyte	Prennial	N	-
35	<i>Hertia intermedia</i>	IT	Compositae	Camophyte	Prennial	N	-
36	<i>Iris sp</i>	IT	Iridaceae	Hemicryptophyte	Prennial	N	F
37	<i>Lactuca orientalis</i>	IT	Compositae	Camophyte	Prennial	N	F
38	<i>Launea microphylla</i>	IT	Compositae	Camophyte	Prennial	N	-
39	<i>Marrobium vulgare</i>	IT	Labiatae	Hemicryptophyte	Prennial	N	-
40	<i>Menta piperata</i>	IT	Labiatae	Hemicryptophyte	Prennial	N	F-M
41	<i>Nepeta sp</i>	IT	Labiatae	Hemicryptophyte	Prennial	N	-
42	<i>Noa macronata</i>	IT	Chenopodiaceae	Camophyte	Prennial	N	F
43	<i>Poa bolbosa</i>	IT	Gramineae	Hemicryptophyte	Prennial	N	F
44	<i>Pistacia atlantica</i>	IT	Anacardiaceae	Phanerophyte	Prennial	N	F-M-I
45	<i>Pistacia khinjuka</i>	IT	Anacardiaceae	Phanerophyte	Prennial	N	F-M-I
46	<i>Peganum harmala</i>	IT	Zygophyllaceae	Hemicryptophyte	Prennial	N	-
47	<i>Peteropyrum aucheri</i>	IT	Polygonaceae	Camophyte	Prennial	N	F
48	<i>Roza beggeriana</i>	IT	Rosaceae	Phanerophyte	Prennial	N	F
49	<i>Salix sp</i>	IT	Salinaceae	Phanerophyte	Prennial	N	F

50	<i>Salvia sp</i>	IT	Labiatae	Camophyte	Perennial	N	F-M
51	<i>Scabosia sp</i>	IT	Dipsaceae	Throphyte	Annual	N	F
52	<i>Scropholaria sp</i>	IT	Boraginaceae	Camophyte	Perennial	N	F
53	<i>Sedum sp</i>	IT	Boraginaceae	Throphyte	Perennial	N	F
54	<i>Stipa barbata</i>	IT	Gramineae	Hemicryptophyte	Perennial	N	F
55	<i>Sisemberium sp</i>	IT	Cruciferaeae	Hemicryptophyte	Perennial	N	F-M
56	<i>Tetraentelium</i>	IT	Gramineae	Throphyte	Annual	N	F
57	<i>Thypha latipholia</i>	IT	Thyphaceae	Hemicryptophyte	Perennial	N	F
58	<i>Thymus kotschyanus</i>	IT	Labiataeae	Camophyte	Perennial	N	F-M-I
59	<i>Tamarix sp</i>	IT	Tamaricaseae	Phanerophyte	Perennial	N	F
60	<i>Juniperus polycarpus</i>	IT	Cupressaceae	Phanerophyte	Perennial	N	M
61	<i>Vaccaria pyramidata</i>	IT	Caryophyllaceae	Throphyte	Perennial	N	F
62	<i>Verbascum sp</i>	IT	Scropholariaceae	Camophyte	Perennial	N	F
63	<i>Ziziphus spina - christi</i>	IT	Ulmaceae	Phanerophyte	Perennial	N	F-M
64	<i>Ziziphora clinopoides</i>	IT	Labiataeae	Camophyte	Perennial	N	F-M-I
65	<i>Ziziphora tenuir</i>	IT	Labiataeae	Throphyte	Annual	N	F-M-I

Key:

IT: Irano-Turanian SS: Saharo-Sindian N: Native
A: Annual P: Perennial
F: Forage (grazing) CD: Planted for Combating Desertification M: Medicinal I: Industrial

ANNEX 5: Provincial MoU between FRWO and DoE

Annex 5 A. Memorandum of understanding between Provincial Natural Resources and Watershed Management Administration and Department of the Environment (D.O.E) in South Khorasan Province

According to coordination, the following memorandum of understanding (MOU) will be set, signed and exchanged between the Director General of Provincial Natural Resources Administration and the Director General of provincial D.O.E of Kerman Province, in line with the implementation of SLFM project.

1. Subject of the MOU:

Desert Affairs Bureau on behalf of the Forest, Rangeland and Watershed management Organization (FRWO) - is developing a full sized project document (Rehabilitation of Forest Landscapes and Degraded Lands with Particular Attention to Saline Soils and Areas Prone to Wind Erosion) (SLFM) with cooperation of GEF / FAO .The project will be implemented near the end of 2010 for 5 years upon approving project document.

This project has an integrated & participatory- based approach and will be implemented considering two GEF focal areas (Biodiversity conservation and Combating Land degradation), in Kerman province (Rigan city) and South Khorasan (Se-ghaleh district, Sarayan City). Project budget will be provided jointly by FRWO and GEF.

2. Project boundaries in Sarayan City(Se-Ghaleh District):

Project site has been located in Sarayan city within “Se-Ghaleh” watershed with the land area of 164 000 ha. Northern parts are mountainous while Southern parts are plain (attached map).

3. Field of cooperation:

As mentioned before, the project will be implemented considering two GEF focal areas (Biodiversity and Land degradation). So, this project will attempt to move towards a comprehensive and integrated watershed management with the implementation of integrated & participatory activities in the field of combating land degradation in line with integrated management of the watershed.

Therefore, in order to implement appropriate and sustainable biodiversity conservation activities, joint cooperation of provincial Natural Resources administration and Provincial D.O.E is required. The outline measures are as follows:

1. Cooperation in holding workshops for local communities with the aim of increasing awareness of villagers about the importance of wildlife (fauna and flora) in the project area;
2. Mutual cooperation in studies related to identify wildlife condition within the project area;
3. Multilateral efforts to introduce a part of the project's implementation area as a protected area;
4. Mutual cooperation for controlling wildlife threatening factors within the project area;
5. Mutual cooperation in holding training workshops for project's staff and provincial experts of D.O.E;

6. Mutual cooperation for implementing biodiversity/wildlife conservation programs within the project area with attention to Species in danger of extinction.

4. Duration:

According to the project duration, running time of this MOU will be 5 years (from the beginning of executive phase of the project) and will be extended after parties agreement.

Habibollah Sharifi
Director General for Natural Resources
and Watershed Management Administration

Hamid Salehi
Director General for
Provincial DOE

ANNEX 5B: Memorandum of Understanding

Provincial Natural Resources and Watershed Management Administration and Department of the Environment (D.O.E), Kerman Province

According to co ordinations, following memorandum of understanding(MOU) will be set, signed and exchanged among the Director General of Provincial Natural Resources administration and Director General of provincial D.O.E of Kerman Province, in line with the implementation of SLFM project.

1. Subject of the MOU:

Desert Affairs Bureau on behalf of the Forest, Rangeland and Watershed management Organization (FRWO) - is developing a full sized project document (Rehabilitation of Forest Landscapes and Degraded Lands with Particular Attention to Saline Soils and Areas Prone to Wind Erosion) (SLFM) with cooperation of GEF / FAO .The project will be implemented near the end of 2010 for 5 years upon approving project document.

This project has an integrated & participatory- based approach and will be implemented considering two GEF focal areas (Biodiversity conservation and Combating Land degradation), in Kerman province (Rigan city) and South Khorasan (Se-ghaleh district, Sarayan City). Project budget will be provided jointly by FRWO and GEF.

2. Project boundaries in Rigan City:

Project site has been located in the Rigan city within "Abe Barik" watershed with the land area of 295 000 ha. Southern parts are mountainous while northern parts are plain.

3. Field of cooperation:

As mentioned before, the project will be implemented considering two GEF focal areas (Biodiversity and Land degradation). So, this project will attempt to move towards a comprehensive and integrated watershed management with the implementation of integrated & participatory activities in the field of combating land degradation in line with integrated management of the watershed.

Therefore, in order to implement appropriate and sustainable biodiversity conservation activities, joint cooperation of provincial Natural Resources administration and Provincial D.O.E is required. The outline measures are as follows: (1)Cooperation in holding workshops for local communities with the aim of increasing awareness of villagers about the importance of wildlife (fauna and flora) in the project area; (2) Mutual cooperation in studies related to identify wildlife condition within the project area; (3) Multilateral efforts to introduce a part of the project's implementation area as a protected area; (4) Mutual cooperation for controlling wildlife threatening factors within the project area; (5) Mutual cooperation in holding training workshops for project's staff and provincial experts of D.O.E.

4. Duration:

According to the project duration, running time of this MOU will be 5 years (from the beginning of executive phase of the project) and will be extended after parties agreement.

Mohammad Ali Asadi
Director General for Natural Resources
and Watershed Management Administration

Abbas Ali Damangir
Director General for
Provincial DOE

ANNEX 6: Proposed research projects for Se Ghale and Rigan

Studies proposed here are based on feedback at PPG stakeholder workshops and meetings:

1. Study recovery and rehabilitation of rangelands after the introduction and adoption of alternative livelihood options.
2. Time duration required for effective transfer from unsustainable use to sustainable use of resources after the introduction and adoption of alternative livelihood options.
3. Does adoption of participatory approach decrease the costs associated with rehabilitation of rangelands? Which participatory approaches are efficient in establishing and sustaining project interventions in Iran?
4. Explore case histories that investigate (sometimes contradictory) effects of management (e.g. intensive and extensive livestock grazing systems, enclosures, water manipulation etc) on plant and animal diversity at a variety of trophic levels; examine the value of diversity in rangeland economies, explore a variety of incentives and other policy tools appropriate for encouraging biodiversity conservation and rangeland rehabilitation under private and communal tenure systems, and in land managed to meet commercial and subsistence objectives.
5. Study pilots for performance of reintroduced native stock of *A. mellifera meda*.
6. Study ecological and social benefits of maintaining diversity on agricultural and horticultural fields in drylands context.
7. Study relationship between PES and alternative sustainable livelihoods. What are the linkages and how they can be strengthened?

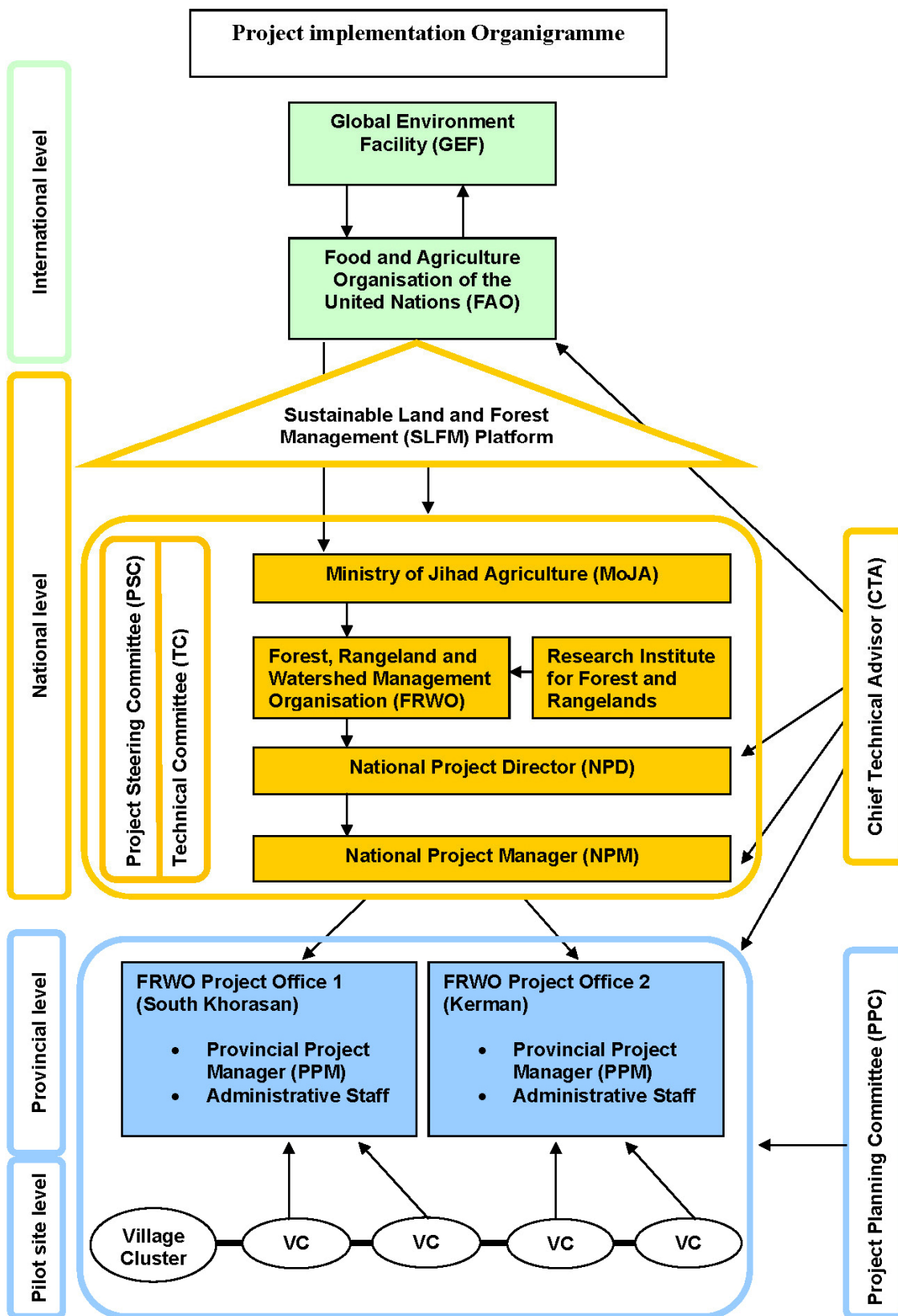
ANNEX 7: GEF-SGP successful projects

GEF-SGP has been successful in addressing SLFM challenges adopting the participatory and integrated ecosystem approach in some of its project. Few good examples mentioned below may be used for pilot site visits envisioned during the project implementation

1. Traditional knowledge for resource and land management in Qashghaie kinship Zagros area.
2. People's Participation for Plant Biodiversity Protection in Central Zagros Region (Phase 2)
3. Planning Grant for "Participation of beneficiaries of Gavan Gazi vegetation in the integrated management of conservation and reaping of this species in the Zagros altitudes
4. Conservation of Rangeland Ecosystem of Bozghoush Mountain through Local Community Participation
5. Planning Grant for Developing 2 Proposals for Alternative Livelihoods in Community Forestry through Participation of Stakeholders of Baneh Region.
6. Protection of Arasbaran Forests through Community Participation
7. Oak forest community participation and livelihood practices in Zagros Armardeh region in Baneh, Kordistan province.
8. Touran Asiatic cheetah local participation and livelihood project.
9. Rural demonstration site: combination of renewable energy technologies, Armardeh region oak forest.
10. Promoting the adoption of renewable energies in rural areas and related activities - Establishing two practical sites in Yakhkesh Mountain (Caspian Region)
11. Establishment of a Revolving Fund for Training and Propagating the Native Endangered Species of Plants to Combat Desertification in Sistan and Baluchistan

Note: Projects mentioned above based on PPG meeting with GEF-SGP, I.R. Iran.

ANNEX 8: Project Implementation Organogram



ANNEX 9 : PES Linkages to Participatory Integrated SLFM Initiatives

Ecosystem services (ES) are valuable because they provide utility and are increasingly scarce. Arid and Semi- arid rangelands provide essential ecosystem services, particularly in hydrological services that make a major contribution to agriculture including pasture for grazing, forestry, mining, and industrial economy. The Irano Touranian region of I.R. of Iran is known for its high contribution for ES (para 11 main text). The region has rangelands, forests and deserts. The project sites are representative of this region. The project provides a unique opportunity to integrate participatory integrated SLFM initiatives into the development agenda, promoting the concept that ES provided by the rangelands with a real monetary value. Potential ES's for the project area are public goods such as natural water recharge and storage, decreased wind and water erosion, decreased salinity in water and soils, temperature maintenance via carbon storage, increased biodiversity, better health conditions (less wind erosion reflects in better pulmonary health in cattle and human habitants).

Land degradation and biodiversity loss in the rangelands and forests of the project areas are mainly caused by overgrazing and overharvesting abetted by parallel interventions formulated by different departments trying to address the same issues, and lack of networking with people and the problems of the area. To summarize, there is no integrated landuse management plan and in its place are parallel forestry, environment, agriculture, watershed, rangeland management plans and policies. This is abetted by lack of proactive participation of local people and a lack of sustainable alternatives for better use and management of natural resources for better economic returns.

In RFLDL, beneficiaries are organized into in the village level groups to execute the diverse management options as voluntary contribution. However, in I. R of Iran participation is considered and continues to be understood as a counterpart effort from the beneficiaries to manage their resources as formulated by the local forest offices top down approach. This results in the inability of the development projects to initiate full participation from rural communities and prevents it from achieving the set goals.

To overcome and to address this issue, linkages will be established between ES and sustainable alternative livelihoods drawn on clear market analysis for the Rigan and Se Ghale project sites. Assuring the local stakeholders of short and long term economic benefits linked with ES, and establishing this linkage with the progress in project life is the core of the demonstration effort in RFLDL. It is envisaged that during the implementation phase of this project, linkages will be made between suggested SLFM initiatives and the PES concept. SLFM plans will be drawn at the first year of the project after the initial rapid assessment followed by intensive participatory baseline assessment and formation of village level councils (VLC). The VLCs along with the provincial representatives and technical experts will draw the village level plans (VLP) which will fit into the broader watershed level plans (WLP) for the project area. It is during the implementation of these watershed plans and village level SLFM plans that PES will establish its multi faceted and albeit different role from the conventional.

Some possibilities for integration of PES concept in this project are:

i. Incentives for proactive participation in providing services for the implementation of thematic plans for the villages: For example, if a village provides labor to build check dams and to maintain it or is involved in learning ways to rehabilitate a qanat and is willing to maintain it, or is involved in planting wind breaks and caring for them until their establishment, or the village comes to a decision to limit grazing and is willing to phase down the AU's according to carrying capacity of its rangelands, the village will be accrue rewards, starting with the establishment of a Rural Development Fund (RDF). RDF will function as the financing mechanism for the PES enabling the public and private land owners and natural resource users to obtain funds/revenues to adapt new technologies and alternatives that support rehabilitation and maintenance of ecosystem services. The RDF is envisaged to be formed by pooling in the savings of the people in the village with a down payment from the project as a payment for the commitment to providing the ES. To increase the commitment to ES and the responsible use of RDF, loans from the fund will be evaluated for socio-economic-ecologic parameters of sustainability before issuance for use in building sustainable alternative livelihood options chosen based on skills, interest of the people and assured market for such products.

ii. Incentives for proactive participation for the implementation of the village level plans: For example, if a farmer will change the crop from high water demanding crop (cotton, hybrid wheat, sugar beet etc) to low water requiring crop (native drought resistant/land races of wheat, races sorghum, barley, vegetable crops etc), or will take up plating of hydro halophytes in their saline soils (instead of using excess irrigation to drain the soil and continue business as usual planting), or are willing to try appropriate inter/ mixed cropping etc, on pilot scales then such farmers will be provided additional incentives through the project as PES. Incentives will come in form of eligibility to access the RDF loans based on a sound alternative livelihood plan (to compensate for decreased yield with new crops on the field).

It is hoped that the participatory SLFM plans created and implemented through this project with interdepartmental co-operation and with participation of local stakeholders will lead to generation of such SLFM plans & policies mandated with alternative sustainable livelihoods and ES incentives to restore the responsibility of resource use to the local people through small but significant changes in current policies. Ideally this would lead to upscale of investment in environment friendly economic activities and economic growth rooted in biodiversity conserved and rangelands rehabilitated and maintained sustainably.

Conditions that allow such ES payments are scarcity, non attenuated property rights, consistent and reliable enforcement, excludability, transferability, low transaction costs, ready market information, inexpensive measurement, monitoring and enforcement and capacity building. A competitive market solution can come through such an intervention provided there are adequate buyers and sellers, no negative environmental effects, adequate identical replicates and data to share. Such situations will further benefit from perceived fairness in transactions and adequate support from institutions and departments which support such ventures.

Lessons from demonstration sites in RFLDL and findings from UNDPs MINERED project could provide conditions for PES concept to evolve into the new revenue sharing policy, that channels rangeland management and biodiversity conservation receipts to local communities and will give communities a stake in rehabilitation and conservation activities. . Results from

demonstration sites will raise awareness of ecosystem services and the role of local users, provincial planners and market needs in its maintenance.

The project will work with communities to improve the conservation compatibility of their livelihoods, to reduce the negative impacts of land degradation, wind erosion and biodiversity loss developing a system where local people are compensated for their active participation and adoption of conservation practices will promote biodiversity conservation and sustainable land management. The project therefore faces an unprecedented opportunity and innovation in Iran to address two problems at once: mitigating land degradation while securing vital ecological services its people.

ANNEX 10: Logical Framework

Project Goal	To restore and enhance the biodiversity and the capacity of degraded forest landscapes and lands to deliver expected goods and services for sustainable livelihoods, food security and combating desertification by promoting participatory integrated SLFM initiatives at watershed level in two target provinces and enhancing national and local capacity to support the widespread implementation of these initiatives across other arid and semi-arid zones of Iran				
Objectively verifiable indicators					
Project Strategy Project objective: To remove barriers to participatory and integrated SLFM by : (i) strengthening capacity of local communities, provincial and local institutions to plan, implement and evaluate participatory and	Indicator Reduction in severity of land degradation and biodiversity loss achieved thorough participatory and integrated SLFM approaches	Baseline Baseline measured in Y0	Target (by Year 5) - 45 pilot villages (30 in Rigan project site and 15 in Se Ghaleh project site) totalling approximately 75,000 ha ² including range, forest and agricultural lands (rain fed and irrigated) under participatory and integrated SLFM and delivering ecosystem services and goods. - At least 50% decrease in unsustainable land use and management practices in 30 pilot villages in each watershed by mid-term and 75% cumulative by EOP.	Source of Verification National Field surveys; Erosion Monitoring, soil erodability index, Satellite images and geographical analysis, national GIS laboratory	Risks and Assumptions - Sectoral departments fail to meet their commitments to collaborate, coordinate and resist the participatory and integrated SLFM approach - Inordinate delays in fielding of the Inception Mission and selection of competent project

Objectively verifiable indicators					
Project Strategy	Indicator	Baseline	Target (by Year 5)	Source of Verification	Risks and Assumptions
integrated SLFM initiatives at the village and watershed scales; (ii) adoption and implementation of the defined plans including sustainable alternative livelihood options with socio-economic and environmental benefits sustaining ecosystem services and iii) enhancing capacity at local and national levels to mainstream these approaches into national plans, policies and processes.	Increased awareness and capacity of stakeholders at local, provincial and national levels on participatory and integrated SLFM	Baseline awareness is minimum; weak inter and intra sectoral linkages.	- All relevant ministries aware of SLFM and collaborating on land and forest management; at least 5 cross cutting policies revised and or merged to mainstream participatory integrated watershed approach for SLFM by EOP - Capacity enhanced and awareness raised for at least 50% of the population in the 45 villages on SLFM	Capacity development raid assessment, Socio-economic survey of beneficiary groups; Participatory M&E Initial Assessment Report and annually thereafter (PY1 – PY5); mid-term and final independent evaluations.	team. - Gender barriers to participation, restricted participation by poor and marginalized groups - Lack of cooperation between government and local communities - Continued access of local communities to natural resources; security of tenure - Local populations in the village clusters are ready and willing to participate in learning and adopting lessons from the selected pilot village Continued drought and increasing climatic variability has adverse impacts on food security and ecosystem services. - Current level of political willingness

Objectively verifiable indicators					
Project Strategy	Indicator	Baseline	Target (by Year 5)	Source of Verification	Risks and Assumptions
Outcome 1: Strengthened capacity of local communities in 45 pilot villages, provincial and local institutions to plan, implement and evaluate participatory and integrated SLFM initiatives.	Workshop participants trained in participatory and integrated SLFM initiatives and are using their new skills on the ground. Participatory Village Resource Management Council (PVRMC) and Village Councils (VC) SLFM Village Level Plan (VLP) and Watershed Level Plan (WLP) developed for the pilot villages and village clusters respectively. Rural Development Funds established in pilot villages.	Baseline measured in Y0	<ul style="list-style-type: none"> - At least 200 people of the population in each of the two watersheds and 70% of the provincial staff including men and women trained on SLFM. - 6 Participatory Village Resource Management Councils established - 45 Village Level Plans formulated - 2 watershed level plans formulated - Rural Development Funds established for at least 30 pilot villages (1 rural development fund per pilot village) 	<p>Rapid and Baseline Assessment reports including list of representative beneficiaries' (social class and gender) statements; Participatory and LADA tool based M&E Initial Assessment Mid-term and final independent evaluations. Reports include details of collaborative design and interpretation of results, statements of representative beneficiaries' (social class and gender), sequential co-operation between local</p>	<p>and support for participatory, integrated adaptive SLFM may decline and stated co-financing commitments do not materialize -Local communities provide their in-kind support and are willing to and adopt improved approaches.</p>

Objectively verifiable indicators					
Project Strategy	Indicator	Baseline	Target (by Year 5)	Source of Verification	Risks and Assumptions
				stakeholders	
Outcome 2: Status of forests and range improved, severity of wind erosion decreased and natural resources managed sustainably on 75 000 ha of land	Number of villages implementing VLP and WLP. Surface of forest, range and under SLFM field interventions (including wind breaks, restoration of degraded land, improved water harvesting techniques, livestock management and sustainable agriculture) Number of sustainable alternative livelihoods Percentage of biodiversity	Limited and dispersed.	-At least 30 pilot villages (20 in Rigan and 10 in Se Galeh) implementing the village level and watershed level plans - 30% decrease in erosion in pilot villages - 75% rehabilitated rangelands of the projected 19 400 ha in pilot sites - At least one functional compost centre per Village Resource Management Group for demonstration. -At least a total of 2 250 hectares of farm and rangeland in selected villages restored with drought and salinity resistant plants	M&E reports, Direct measurements of Water Use Efficiency (WUE) at demonstration sites. Erosion rates and sediment delivery. Reports/ surveys on estimates of yield, net farm incomes and use of locally adapted agro-biodiversity planted in rain fed and irrigated farmer demonstration sites. Rangeland and forest rehabilitation measured by remote sensing measurements of land cover, technical reports Field survey and species	

Objectively verifiable indicators					
Project Strategy	Indicator	Baseline	Target (by Year 5)	Source of Verification	Risks and Assumptions
	and forest recovery		<ul style="list-style-type: none"> -The use of alternatives to fuel wood collection (solar and gas ovens) demonstrated and adopted by at least 500 households - At least 5 sustainable alternative livelihoods initiatives developed with demonstrated benefits to environmental services 	<p>count to document wild fauna and flora of global biodiversity importance and photo documentation.</p>	
	<p>Forest areas for conservation and rehabilitation are identified and mapped.</p> <p>Changes in the number of species of flora and fauna as measured by species composition and canopy cover, direct spot, pellet group counts and tracks in the identified conservation and rehabilitation areas</p>	<p>Baseline Y0</p>	<ul style="list-style-type: none"> -Areas for conservation activities and rehabilitation are defined - One Non Hunting Area established in Rigan. -25% recovery in globally important wild species and species of importance to Non Wood Forest - 50 % decrease in over-grazing and fuel wood harvest inside the forest boundaries defined for conservation activities; 	<p>M and E reports, APR reflecting progress toward community involvement in M and E, Field surveys, statements by local communities; photo documentation; remote sensing measurements , Periodic Watershed Reports and Independent final project evaluation.</p>	<p>Same risks and assumptions as above</p>
Outcome 3: Enhanced capacity at local and national levels to integrate SLFM	<p>Increased inter and intra sectoral coordination</p> <p>SLFM integrated into relevant sectoral policies</p>	<p>None</p>	<ul style="list-style-type: none"> - One SLFM platform/ Intersectoral Coordination Mechanism established and operational at national level. 	<p>Minutes of meetings at provincial and national levels.</p> <p>Tracking tool for</p>	

Objectively verifiable indicators						Risks and Assumptions
Project Strategy	Indicator	Baseline	Target (by Year 5)	Source of Verification		
across different institutions and sectors			- At least 5 policies revised to mainstream participatory SLMF - At least 5 departments in NRM ministry working with inter and intra-departmental linkages and at least two linkages established between 2 ministries (DOE and FRWO) at provincial levels; at least one such linkage at the national level.	mainstreaming SLMF in other sectors.		
Outcome 4a: Project monitored and evaluated effectively and lessons learnt and best practices disseminated widely with a view to their replication in other areas	4.a.1. Project data collection and Monitoring and Evaluation system established	None	By Y0.5	Annual progress reports; Project mid-term review and final evaluation		
	Project progress and monitoring reports prepared and mid-term and final evaluations conducted in a timely manner	None	By Y 0.5	Project mid-term review and final evaluation Monitoring and progress reports		
	Lessons learnt, publications and documentaries prepared and widely distributed	None	- Stakeholders beyond residents of the 45 pilot villages familiar with project approach and results through Y1-Y5.	Project training and field visits reports, M&E reports, Documentaries produced, Newspaper and Television reporting,		

Objectively verifiable indicators					
Project Strategy	Indicator	Baseline	Target (by Year 5)	Source of Verification	Risks and Assumptions
Outcome 4b Project managed effectively	Project management unit established Project Steering Committee (PSC) and Technical Committee established at national level Provincial Project Offices and Project Planning Committees established in the provincial level (one for each site) project sites. Activities implemented on time within available budget.	0	- Decision makers and ministry professionals aware of project results All staff and committees and offices established by year 0.5	books, posters and booklets published. Staff TORs and contracts Steering committees and technical committees meetings' reports Project progress quarterly reports Project implementation reviews Project mid-term and final evaluation reports	
Outcomes					
Outcome 1: Strengthened capacity of local communities in 45 pilot villages, provincial and local institutions to plan, implement and	Output 1.1. At least 200 people of the population in each of the two watersheds and 70% of the provincial staff including men and women trained on SLFM				
	Output 1.2. 6 Participatory Village Resource Management Councils established				
	Output 1.3. 45 village level plans and 2 watershed level plans formulated				

Project Strategy	Objectively verifiable indicators			
	Indicator	Baseline	Target (by Year 5)	Source of Verification
<p>evaluate participatory and integrated SLFM initiatives.</p> <p>Outcome 2: Status of forests and range improved, severity of wind erosion decreased and natural resources managed sustainably on 75,000 ha of land.</p> <p>Outcome 3: Enhanced capacity at local and national levels to integrate SLFM across different institutions and sectors.</p>	Output 1.4. Rural Development Funds established for at least 30 pilot villages (1 rural development fund per pilot village).			Risks and Assumptions
	Output 2.1. At least 30 pilot villages (20 in Rigan and 10 in Se Galeh) implementing the village level and watershed level plans.			
	Output 2.2. 30% decrease in erosion in pilot villages (baseline to be established in year 1)			
	Output 2.3. 75% of rangelands rehabilitated of projected 19,100 ha in pilot sites			
	Output 2.4. 2,250 hectares of farm and rangeland in selected villages restored with drought and salinity resistant plants.			
	Output 2.5. 25% recovery in globally important wild species and species of importance/ used as Non Wood Forest Products (baseline to be established in year 1).			
Output 2.6. At least 5 sustainable alternative livelihood initiatives are developed with demonstrated benefits to environmental services.				
Output 3.1. One SLFM platform/ Inter-sectoral coordination mechanism established and operational at national level.				
Output 3.2. At least 5 policies revised to mainstream participatory SLFM				
Output 3.3. At least 5 departments in NRM ministry working with inter- and intra-departmental linkages and at least two linkages established between two ministries (Department of Environment (DOE) and Forest, Rangeland and Watershed Management Organisation (FRWO) at provincial levels; at least one such linkage at the national level.				

Project Strategy	Objectively verifiable indicators				Risks and Assumptions
	Indicator	Baseline	Target (by Year 5)	Source of Verification	
Outcome 4a: Project monitored and evaluated effectively and lessons learnt and best practices disseminated widely with a view to their replication in other areas	Output 4a.1. Project data collection and Monitoring and Evaluation system established				
	Output 4a.2. Project progress and monitoring reports prepared and mid-term and final evaluations conducted in a timely manner				
	Output 4a.3. Lessons learnt, publications and documentaries prepared and widely distributed				
	Output 4a.4. Stakeholders beyond residents of the 45 pilot villages familiar with project approach and results				
	Output 4a.5. Decision makers and ministry professionals aware of project results				
Outcome 4b. Project managed effectively	4b.1. Project management Unit established				
	Output 4b. 2. Project Steering Committee (PSC) and Technical Committee (TC) established at the national level				
	Output 4b.3. Two Project Planning Committees (PPC) and Two Project Offices are established at provincial level (one in each province)				

Risk rating and mitigation strategies: Although there is increasing recognition for the need of an integrated participatory approach to SLFM initiatives, ministries and sectoral bodies addressing challenges in SLFM have not incorporated this twin pronged approach into their interventions. Participatory approach and integrated ecosystem management approach are tried in a few projects but have failed to achieve sustainable results with a few exceptions of GEF-SGPs. The risk for acceptance of these concepts is low at provincial level, and medium at national level. Another risk bearing direct relation to this is the distrust of local stakeholders in government activities which have more often than not denied access to land and resources in the past, especially in range and forest lands. The risk is rated between low to medium in the project sites. The information workshop at the very beginning of the project will be the initial effort toward trust building which will be continued through LOP. This risk is further minimized by workshops with focus on trust building and capacity building through training and sharing lessons from other projects UNIDO, UNDP and GEF SGP with similar efforts are charted in the project. Capacity building of community facilitators will also play an important role to mitigate this risk. This risk is also reduced by the findings of the inception mission, rapid assessment and baseline assessment will determine villages where the need for intervention will match with the desire to participate. These villages will form the critical demonstrable link from which the network of villages adapting SLFM will grow. At the provincial level the risk for participatory, integrated approach to SLFM is low as reflected by the MOUs received during the PPG phase. Other issues at the provincial level that may affect the working of the project will be negated by the presence of sectoral department representatives in the provincial project offices, and will be represented in the Project Steering Committee. This will provide opportunities interaction between for provincial and their national counterparts' ensuring a shared learning and working experience and establish inter and intra sectoral linkages to SLFM. The risk of co-financing commitments not materializing is low since national government and provincial governors have assured resources to the project from their budgetary allocation.

The risk of not having alternatives to unsustainable livelihoods is high. To address this, the project will conduct socio-economic surveys, evaluate local skills, needs and resources from which alternative livelihood opportunities can be drawn out and conduct market analysis for proposed alternative livelihood products. The project makes a distinction in linking the immediate and long term socio-economic needs with direct involvement in the project as opportunities for sustainable livelihoods come up, in terms of planting wind breaks, or building of canals, rehabilitation of qanats etc, and it builds direct linkages between income-generating potential of sustainable land and water management practices and adoption of sustainable alternative livelihoods to PES. This is a unique feature and will be executed as a demonstration. At a demonstration level, fair and equitable benefit sharing mechanisms will be explored and instituted as PES scheme to be replicated in the future. The project will ensure that decisions about access rights to resources and attendant impact on livelihoods will be made at the level of the community, rather than by government officials. Reduced dependency on common lands and other natural resources will be offset by alternative income-generating activities based on sustainable resource use.

Continued drought, lack of or increasingly erratic rainfall and weather conditions will reflect directly on the establishment of wind breaks, rehabilitating forests and new sustainable agricultural practices and impact on food security and ecosystem services. The risk is medium. To mitigate this risk, the drought assessment methods of the National Centre for Agricultural Drought Management will be integrated with the monitoring and information system for land use

change. Research inputs from Provincial Agriculture and Natural Resource Research Centres, RIFR, the Gene Bank, agricultural universities and agriculture extension department of MoAJ will share information on crop and rangeland species to be used in planting to rehabilitate degraded ranges, saline soils and rain fed lands. All demonstration interventions and practices to be inventoried will be assessed for their contribution to participatory integrated adaptive management of the watershed.

ANNEX 12: Work Plan

Outputs	Activities	Q1	Q2	Q 3	Q 4	Q 5	Q 6	Q 7	Q 8	Q 9	Q1 0	Q 11	Q 12	Q 13	Q 14	Q 1 5	Q1 6	Q1 7	Q 1 8	Q 1 9	Q 2 0	
Output 1.1 to output 1.4.	Rapid Assessment																					
	Baseline assessment																					
Output 2.1 to 2.6.	Workshops and meetings																					
	Workshops and meetings																					
	1. Wind erosion and water resource management activities																					

ANNEX 13: Terms of Reference

1. Draft Terms of Reference: National Project Director (NPD)

The National Project Director (NPD) will be designated by the national executing partner FRWO, in consultation with the FAO-IR and the LTU. The NPD will be a senior staff member of the FRWO with relevant experiences preferably in multi-sectoral approach, integrated SLFM and biodiversity conservation issues, and will be able to devote sufficient time to oversee the project during its implementation. S/he would specifically perform the following duties and responsibilities:

- Act as the responsible focal point at the political and policy level within FRWO;
- Ensure that all Government inputs committed to the project, particularly co-financing are available to the project in a timely manner and in accordance with the project Work Plan;
- Appoint the National Project Manager (NPM) and two Provincial Project Managers (PPM), in close consultation with FAO-IR and the LTU, and identifying the project office/sites, if necessary;
- Ensure all of the other required project personnel are seconded and/or recruited by the FRWO to enable the project to implement all of the proposed component activities;
- Ensure that appropriate and adequate office space and utilities are provided to the national project office in FRWO, Tehran and provincial project offices in the project provinces, and that these offices are empowered to implement the project;
- Oversee the effective working of the national and provincial project management offices;
- Resolve implementation problems, as necessary;
- Approve candidates for project expert and consultant positions;
- Facilitate signature of the GCP Agreement between FAO and the Government of Iran, the Letters of Agreement between FAO and FRWO, financial reports and other correspondence according to the procedures of FAO requirements;
- Leverage support and inputs from the Department of Environment, research centres and other partners and concerned institutions;
- Promote the mainstreaming of project results into sectoral plans and policies;
- Chair the Project Steering Committee and represent FRWO in other official project meetings;
- Monitor project implementation and ensure timely delivery of project outputs;
- Any other duties as required.

The NPD would be subject to periodic assessment of his/her performance by the FAO-IR.

2: Draft Terms of Reference: National Project Manager

The National Project Manager (NPM) would be appointed to manage and coordinate the implementation of project activities and ensure smooth and effective operation of the project activities. The NPM will be selected through a competitive and transparent process undertaken by the FRWO (NPD) in consultation with FAO (FAO-IR and FOMC). The NPM would be responsible for the following:

- Lead the technical execution of the project, in close consultation with FAO;
- Assume primary responsibility for day-to-day **project management** - both organizational and substantive matters, including planning (work plan preparation), carrying out on-the-ground activities, coordination with project partners, coordination of/supervising the project management team (including the provincial offices), monitoring project progress and impact; etc.;
- Ensure adequate information flow, discussions and feedback among the various stakeholders of the project;
- Ensure that **participatory methodologies employed** by the project are inclusive of all stakeholders, especially the poor and women;
- Identifying the appropriate personnel to be seconded and/or recruited to work in the PO, PPO and supporting the NPD accordingly;
- Guide and supervise the work of the PMC personnel and national/international consultants and oversee compliance with agreed work plan;
- Liaise regularly with the FAO-IR to ensure it is aware of progress in implementing project activities and, where necessary, to seek its technical and administrative assistance for the smooth operation of the project;
- Mobilize all project inputs in line with FAO Guidelines;
- Prepare and update project work plans, budgets and submit these to the NPD and FAO for clearance and then to the PSC for approval. Prepare quarterly project progress reports and financial statements and ensure their timely submission to FAO for review and approval;
- Ensure timely deliver of project outputs, including reporting requirements, as established in the agreed annual work plans;
- Meet regularly with the Provincial Project Managers (PPM) to review progress with the implementation of the project's community-based field activities;
- Assist the PPMs to secure the technical and financial inputs they require to implement the project's community-based field activities;
- Liaise with project partners to ensure their co-financing contributions are provided within the agreed terms;
- Ensure collection of relevant data necessary to monitor progress against indicators specified in the project results framework;

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- Advise NPD and FAO of any issues that may hinder the smooth implementation of the project and propose actions for their remediation;
- Act as Secretary to the Project Steering Committee;
- Any other duties as required.

The NPM should have previous project management experience in SLFM and be willing to work for the full duration of the project. The NPM would be subject to periodic assessment of his/her performance by the NPD and FAO. Any decision to replace the NPM would require the approval of FAO.

3. Draft TOR for Provincial Project Manager

Two Provincial Project Managers (PPMs), for South Khorasan and Kerman provinces would be appointed on a full time basis to manage and coordinate the implementation of the project's field level activities falling within his/her province. Each PPM shall be selected through a competitive and transparent process undertaken by the NPD in consultation with FAO-Iran. The PPM may be seconded by the FRWO/provincial offices with relevant field experiences in the related field. Each PPM would be responsible for the following:

- Day-to-day operational management of the component field activities undertaken within his/her province as outlined in this project document, so as to achieve the stated objectives, implement the proposed activities, and realise the anticipated outputs, of the project;
- Identify the appropriate personnel to be seconded and/or recruited to work in the Provincial Project Committee (PPC) and advising the NPD accordingly;
- Coordinate and supervise the work of the PPMU personnel;
- Prepare annual work plans and budgets for the implementation of all project related field activities to be undertaken within his/her province and submitting these to the Provincial Project Monitoring Committee (PPC) for endorsement and onward transmission to the NPM and the PSC;
- Prepare quarterly progress reports and ensure their timely submission to the PPC and NPM for incorporation into the quarterly project reports to be submitted to FAO and the NPD;
- Liaise regularly with the provincial NRM office, office of the Provincial Governor, and other concerned institutional stakeholders, within his/her province so as to keep them informed of project activities;
- Identify and resolve provincial level implementation problems with the guidance of the NPM and NPD and CTA, as required.

Each PPM should be recruited or seconded from within his/her province. S/he should be someone with previous project management experience and broad technical expertise in areas related to sustainable land and forest management. S/he should be able and willing to work as PPM for the full duration of the project. The PPM would be subject to periodic assessment of his/her performance by the PPC and NPM. Any decision to replace the PPM would require the approval of the NPM, NPD and in consultation with FAO.

4. Draft Terms of Reference: Chief Technical Advisor

A Chief Technical Advisor will be recruited by FAO for a duration of 36 months within the 5 years as follows (12 months, 9 months, 6 months, 4 months, 5 months) to provide technical support and capacity-building to the NPD, NPM, and PPM and their offices for efficient planning and implementation of the project activities. S/he is preferred to be posted and based in Iran for the required duration.

The broad responsibilities of the CTA would include:

- To provide *strategic direction* to the “Rehabilitation of forest landscapes and degraded land with particular attention to saline soils and areas prone to wind erosion (RFLDL)” project.
- To ensure that the project has *sharp focus on outcome* as envisaged in Project Document
- To provide *inputs and support* in bringing greater linkages, integration and cooperation among different programmes and departments,
- To provide support in *developing and implementing strategies* for:
 - Networking and advocacy
 - Knowledge management, capitalization and documentation of experiences relating to participatory integrated SLFM,
 - Information exchange with other agencies/organizations at international level, and share best practices from UNDP, UNIDO and other programme from other countries.
- To contribute to the *capacity building and skill development* of the RFLDL project team.

The specific responsibilities will include:

- Contribute to annual and quarterly planning;
- Contribute technically to developing ToRs and to annual and quarterly plans;
- Help identify suitable international consultants and international training opportunities;
- Support to the design of the project monitoring and evaluation system, bearing in mind its use for effective adaptive management in the project;
- Support in the design and implementation of a good communications strategy, and a strategy for documenting and disseminating lessons learned and best practices;
- Providing training to the Project Core Team (NPD, NPM and PPM) and other project stakeholders, as required;
- Support the NPM in the coordination of inputs, notably the inputs of international experts;

Distance support will include the following:

- Provide technical comments on draft reports;
- Respond to technical queries;
- Provide material and documentation of experiences made in other programmes/countries and literature on methodologies and approaches;
- Any other duties, as required.

The international technical adviser should have: (i) broad international experience with SLFM in dryland areas; (ii) extensive practical experience with community-based participatory approaches; and (iii) a good understanding of the requirements for a comprehensive monitoring and evaluation system.

Annex 14: Project Reporting, Monitoring and Evaluation

1. Monitoring Arrangements

The monitoring and evaluation structure will be reviewed, discussed and agreed upon with the Project steering committee, FRWO project offices and the project planning committees, during early months of the project start-up (within the first 2 months). The agreed arrangements will be reported in the inception project report. The approach for monitoring and evaluation, including steps and activities is visualized in Figure 1.

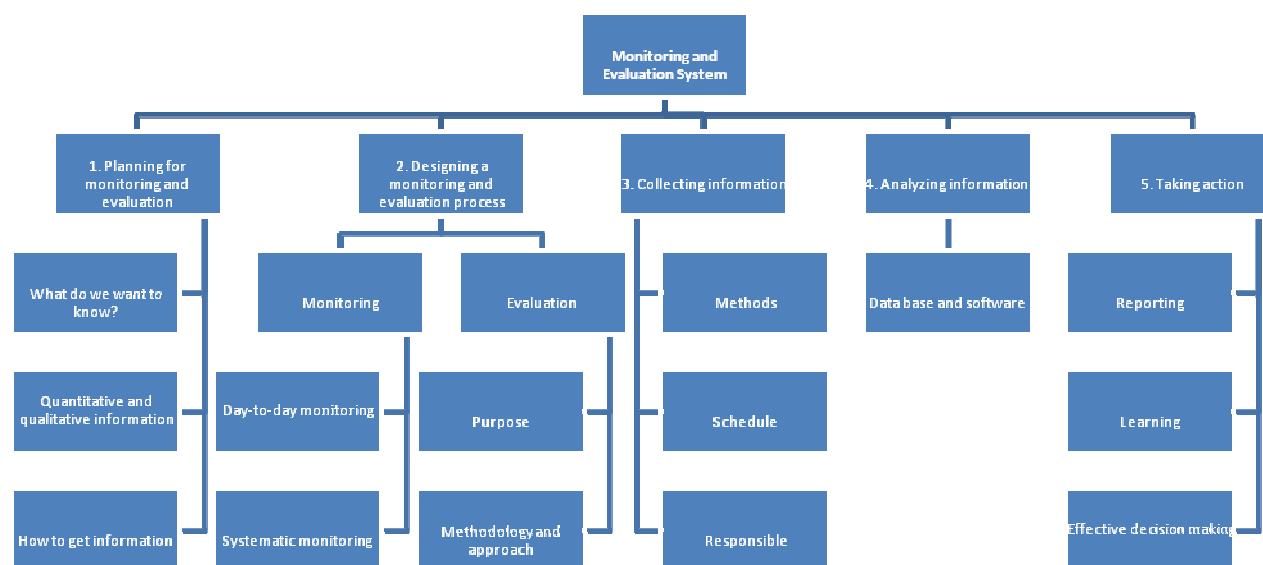


Figure 1 – Monitoring and evaluation approach

Institutional arrangement – The day-to-day and systematic monitoring will be responsibility of the FRWO project team and project offices with the support of contracted specialists if necessary and the CTA. The FAO-Iran, LTU and GEF Coordination Unit will monitor project progress on a regular basis, For the independent mid-term review and final evaluation, specialized international consultants will be recruited. Evaluations will be conducted in accordance with FAO and GEF policies and procedures.

Project progress monitoring - Will assess whether the management and supervision of project activities is efficient and seek to improve efficiency, when needed, so as to improve the overall effectiveness of project implementation. It is a continuous process, during which information about the implementation of activities programmed in the annual work plans. This activity will be the direct responsibility of the project Steering Committee assisted by the CTA and the project team and offices.

Monitoring of outcomes - Project's success in achieving its outcomes will be monitored continuously through the project semi-annual project progress reports, annual summary progress reports, and a mid-term review and final evaluation. Key outcome indicators are those identified in the project results framework and will guide and provide evidence of

achievements. The outcome indicators will be tested and refined, if necessary, and interim indicators and numerical targets with timeframes and milestones will be agreed during the inception workshop. The CTA will give technical support to the project team and technical experts and partners during the implementation of this activity.

The beneficiaries of the Monitoring and Evaluation will be: (i) the project, for management and planning; (ii) FAO, GEF and the Government of Iran; (iii) public and private stakeholders and their organizations, for decision making; (iv) the partner institutions and local communities involved in the project; (v) civil society.

2. Project Inception

A *Project Inception Workshop* will be conducted with the full project team, relevant government counterparts including FRWO, DoE, Research Centers, Universities and key stakeholder group representatives, and FAO.

The main objective of this Inception Workshop will be for the project team to understand and take ownership of the project's goals and objectives, as well as finalize preparation of the project's first annual work plan on the basis of the project's log frame matrix. This will require reviewing the log frame (indicators, means of verification, assumptions), imparting additional detail as needed, and on the basis of this exercise finalize the Annual Work Plan with precise and measurable performance indicators, and in a manner consistent with the expected outcomes for the project.

Additionally, the purpose of the Inception Workshop will be to: (i) introduce the project staff to FAO's and partners working on the project; (ii) detail the roles, support services and complementary responsibilities of FAO and FRWO as well as project team; (iii) provide a detailed overview of FAO's reporting and monitoring and evaluation requirements, with particular emphasis on the Annual Project Implementation Reviews, Inception Workshop Results Templates and related documentation, as well as mid-term and final evaluations; (iv) inform the project team on FAO's project related budgetary planning and budget reviews.

The Workshop will also provide an opportunity for all parties to understand their roles, functions, and responsibilities within the project's decision making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for project staff and decision making structures will be discussed again, as needed in order to clarify for all concerned, each party's responsibilities during project implementation.

3. Monitoring responsibilities

A detailed schedule of project review meetings will be developed by the project team under guidance of CTA, in consultation with project implementation/execution partners and stakeholder representatives, and will be incorporated into the Project Inception Report. Such a schedule will include: (i) tentative time frames for Annual Project Reviews, Steering Committee Meetings, and TC meetings and other coordination mechanisms at provincial and national levels; and (ii) project related Monitoring and Evaluation activities.

Specific targets for the first year implementation progress indicators together with their means of verification will be developed at this Workshop. These will be used to assess whether implementation is proceeding at the intended pace and in the right direction and will form part of the Annual Work Plan. Targets and indicators for subsequent years will be defined annually as part of the internal evaluation and planning processes undertaken by the project team.

Day-to-day monitoring of implementation progress will be the responsibility of the National Project Manager (and the project team) with support from the CTA, based on the project's Annual Work Plan and its indicators. The Project Team will meet monthly to present results and difficulties found in previous month and to plan the corrective measures and inform FAO of any delays or difficulties faced during implementation so that the appropriate support can be adopted in a timely and remedial fashion.

Periodic monitoring of implementation progress will be undertaken through quarterly meetings, or more frequently as deemed necessary. This will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project activities. The NPM with support from the project team and the CTA will undertake the supervision of the contracted agencies to ensure that forest and related information is being collected accordingly to schedule and standards of quality. This will be done at a quarterly basis, through randomly visits to the field sites and agencies.

FAO will provide oversight and monitor project progress and impact. Project progress will be monitored largely through the recording and verification of inputs, including financial disbursements and technical levels-of-effort. Financial inputs (disbursements) will be largely drawn from FAO's financial management system, while technical inputs will be drawn from reports from the Quarterly Progress Implementation Reports (QPIRs) and quarterly Project Progress Reports. Financial disbursements for technical activities programmed in the ARWP will be periodically reviewed to identify and assess any significant discrepancies between the two.

Annual Monitoring will occur through the Steering Committee meetings. This is the highest policy-level meeting of the parties directly involved in the Project's implementation/execution. A annual Project Implementation Review (PIR) will be prepared by the LTU with inputs from the NPM and FAO-Iran for consideration of the PSC, clearance by the GEF Coordination Unit which will submit it to the GEF Secretariat and GEF Evaluation Office.

The National Project Manager will present the Annual Project Progress Report highlighting policy issues and recommendations for the decision of the participants. Separate reviews of each project component may also be conducted if necessary.

The final Steering Committee meeting will be held in the last month of project operations. FAO's project management staff will prepare the Terminal Report. It will serve as the basis for discussions at the Terminal Review. The Terminal Review will consider the implementation of the project as a whole, paying particular attention to whether the project has achieved its stated objectives and contributed to the broader environmental objective. It decides whether any actions are still necessary, particularly in relation to sustainability of project results, and acts as a vehicle through which lessons learnt can be captured to feed into other projects under implementation of formulation.

4. Project Monitoring Reporting

Inception Report: A Project Inception Report will be prepared immediately following the Inception Workshop. It will include a detailed First Year/Annual Work Plan divided into quarterly timeframes detailing the activities and progress indicators that will guide implementation during the first year of the project. This Work Plan will include the dates of specific field visits, support missions from consultants or FAO, as well as timeframes for meetings of the project's decision-making structures. The report will also include the detailed project budget for the first full year of implementation, prepared on the basis of the Annual

Work Plan, and will include any monitoring and evaluation requirements to effectively measure project performance during the targeted 12 months time-frame.

The Inception Report will include a more detailed narrative on the institutional roles, responsibilities, coordinating actions and feedback mechanisms of project related partners. In addition, a section will be included on progress to date on project establishment and start-up activities and an update of any changed external conditions that may affect project implementation.

The draft Inception Report will be circulated for one month to the Project Steering Committee (for endorsement) and other project partners (for review and comments) and a final version will be cleared by FAO (Lead Technical Unit and Budget Holder) within another week. The final Inception Report will be circulated by the National Project Manager to all project partners.

Quarterly Progress Implementation Reports (QPIRs): At the end of every three months during each project year Quarterly Project Implementation Reports (QPIR) will be prepared by the Budget Holder and submitted to the LTU and GEF Coordination Unit. The QPIR is used to identify constraints, problems or bottlenecks that impede timely implementation and take appropriate remedial action. The QPIR is based on a comparison of performance against the AWP, primarily through examination of planned expenditure and disbursement in each quarter. Based on each QPIR, the BH, in consultation with the LTU, will provide feedback and recommendations for action to the project team. The reports will be submitted one month after the end of each quarterly reporting period (31 March, 30 June, 30 September and 31 December).

Quarterly Project Progress Report: Every three months, the National Project Manager (NPM) in consultation with the National Project Director and with inputs and support from the Provincial Project Managers (PPMs) and the CTA will prepare a Project Progress Report (SPPR). The report will be submitted to FAO (Lead Technical Unit) for review. The PPR will follow the standard FAO-GEF format. It will contain the following:

- a) an account of actual implementation of project activities compared to those scheduled in the AWP (including a report on project expenditure in the six months plus an estimate of co financing contributions received);
- b) an account of the achievement of outputs and progress towards achieving the project objectives (based on the indicators contained in the results framework, or any agreed modifications to this);
- c) identification of any problems and constraints (technical, human, financial, etc.) encountered in project implementation and the reasons for these constraints;
- d) assessment of risks and risk management;
- e) clear recommendations for corrective actions in addressing key problems resulting in lack of progress in achieving results;
- f) lessons learned;
- g) a revised work plan for the final six months of the project year.

Report on Co-Financing: Within 60 days of the reporting period (1 July to 30 June), FRWO (National Project Manager in consultation with the NPD) shall prepare a yearly co-financing report for the project for inclusion in the annual Project Implementation Review (PIR) which would include, to the extent possible, the following information:

1. Amount of co-financing realized compared to the amount of co-financing committed to at the time of project approval, and
2. Co-financing reporting by source and by type:
 - Government counterpart commitments (in kind and cash); contributions mobilized for the project from other multilateral agencies, bilateral development cooperation agencies, NGOs, the private sector and beneficiaries.
 - Types of co-financing. Cash include grants, loans, credits and equity investments. In-kind resources are required to be:
 - i. dedicated uniquely to the GEF project
 - ii. valued as the lesser of the cost and the market value of the required inputs they provide for the project, and
 - iii. monitored with documentation available for any evaluation or project audit undertaken by FAO.
3. With regards to reporting on in-kind co-financing provided by government and other institutions, FAO will encourage the partners to provide the information in a timely manner and the information will be made available upon request and without certification to the GEF Secretariat and GEF Evaluation Office.

Annual Project Progress Report – The NPM, in consultation with the NPD, and support from the project team and the CTA, will prepare and submit to FAO (LTU and BH) an annual project progress report (APR) (January-December) to accompany the following year's draft annual work plan (AWP), for review and approval. This will be done no later than the end of February. The APR will serve as the main input to the Project Implementation Review (PIR) to be prepared by the LTU.

Project Implementation Review - PIR: The LTU with inputs from the NPM, will prepare an annual Project Implementation Review (PIR). The Project Implementation Review is an annual monitoring process mandated by the GEF. It is an essential management and monitoring tool for project managers and offers the main vehicle for extracting lessons from ongoing project. The PIR will reflect progress achieved in meeting the project's Annual Work Plan and to assess performance of the project in contributing to intended outcomes through outputs and partnership work. The format will include: (i) an analysis of project performance over the reporting period, including outputs produced and, where possible, information on the status of the outcome; (ii) the constraints experienced in the progress towards results and the reasons for these; (iii) the three (at most) major constraints to achievement of results; (iv) annual Work Plans and other expenditure reports; (v) lessons learned; (vi) clear recommendations for future orientation in addressing key problems in lack of progress.

The PIR will be submitted to the GEF Coordination Unit in TCI for review and approval. The GEF Coordination Unit will submit the final report to the GEF Secretariat.

Periodic Thematic Reports: As and when called for by FAO the project team will prepare specific Thematic Reports, focusing on specific issues or areas of activity. The request for a Thematic Report will clearly state the issue or activities that need to be reported on. These reports can be used as a form of lessons learnt exercise, specific oversight in key areas, or as troubleshooting exercises to evaluate and overcome obstacles and difficulties encountered. FAO will minimize its requests for Thematic Reports, and when such are necessary will allow reasonable timeframes for their preparation by the project team.

Project Terminal Report: During the last three months of the project, the project team will prepare the Project Terminal Report. This comprehensive report will summarize all activities, achievements and outputs of the project, lessons learnt, objectives met or not, structures and systems implemented, etc. and will be the definitive statement of the project's activities during its lifetime. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's activities.

Technical Reports: Technical Reports are detailed documents covering specific areas of analysis or scientific specializations within the overall project. As part of the Inception Report, the project team will prepare a draft Reports List, detailing the technical reports that are expected to be prepared on key areas of activity during the course of the project, and tentative due dates. Where necessary this Reports List will be revised and updated, and included in subsequent Annual Project Reports. Technical Reports may also be prepared by external consultants and should be comprehensive, specialized analyses of clearly defined areas of research within the framework of the project and its sites. These technical reports will represent, as appropriate, the project's substantive contribution to specific areas, and will be used in efforts to disseminate relevant information and best practices at local, national and international levels.

Project Publications: Project Publications will form a key method of crystallizing and disseminating the results and achievements of the project. These publications may be scientific or informational texts on the activities and achievements of the project, in the form of journal articles, multimedia publications, etc. These publications can be based on Technical Reports, depending upon the relevance, scientific worth, etc. of these reports, or may be summaries or compilations of a series of Technical Reports and other research.

The project team will determine if any of the Technical Reports merit formal publication, and will also (in consultation with FAO, the government and other relevant stakeholder groups) plan and produce these publications in a consistent and recognizable format. Project resources will need to be defined and allocated for these activities as appropriate and in a manner commensurate with the project's budget.

GEF-4 Tracking Tool Reports: The tracking tool which has the purpose of measuring the progress in achieving the impacts and outcomes established at the portfolio level under the biodiversity focal area. It needs to be submitted at three moments, following GEF procedures: (i) with the project document at CEO endorsement; (ii) at the project's mid-term evaluation; and (iii) with the project's terminal evaluation or final completion report.

All technically cleared reports should be copied to **TC-FPMIS-DataQuality@fao.org** so that they can be uploaded and maintained in the corporate project database under the Field Programme Management Information System (FPMIS).

To collect data and generate the information flow from the different M&E levels it should be considered:

a) Inputs: For data collecting related to day-to-day and systematic monitoring the following inputs will be used: (i) M&E plan; (ii) results framework; (iii) Annual Work Plan; (iv) results chain of the project.

b) Needs: It will be necessary: (i) training of project team related to M&E system; (iii) select methodologies and strategies for data collecting and reporting; (iv) definition of institutional arrangements and responsibilities; (iv) financial resources.

6. Dissemination of Results

Results from the project will be disseminated through a number of existing information sharing networks and fora. In addition: (i) the project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation though lessons learned; (ii) the project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. Identifying and analyzing lessons learned is an on-going process, and the need to communicate such lessons as one of the project's central contributions is a requirement to be delivered not less frequently than once every 12 months. FAO shall provide a format and assist the project team in categorizing, documenting and reporting on lessons learned

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Footnotes

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- ⁱ http://www.fao.org/docrep/009/j5838e/J5838E05.htm#P1060_95498
- ⁱⁱ <http://www.frw.org.ir/CountryProfile/NaturalResources/Forests/pageid/85/language/en-US/Default.aspx>
- ⁱⁱⁱ <http://whc.unesco.org/en/tentativelists/5214/>
- ^{iv} Maleknia, R. 2006, studying forests of central zagros, Tehran university, Iran.
- ^v http://www.worldlingo.com/ma/enwiki/en/Vavilov_Center
- ^{vi} Iran's National Bank of Plant Gene a member of the net work for sustainable development of arid regions of West Asia and North Africa preserves some 63000 genetic samples of cultivated plants and their wild relatives and more than 5000 genetic samples of fruit trees samples in its herbarium.
- ^{vii} Forest and Range Research Institute has a collection of 59156 samples of agricultural and orchard samples in its herbarium.
- ^{viii} De Salvador, F.R. 1988. Assistance to walnut production in Iran: Final Mission Report. FAO. Rome
- ^{ix} <ftp://ftp.fao.org/docrep/fao/meeting/017/ak528e.pdf>
- ^x <http://www.springerlink.com/content/k4117844068k2457/>
- ^{xi} <http://www.icarda.org/GEF/AgroBio3.HTML>
- ^{xii} The national action programme to combat desertification and mitigate the effects of drought of Islamic republic of Iran. FRWO, 2004.
- ^{xiii} <http://www.fao.org/DOCREP/003/Y1797E/y1797e09.htm>
- ^{xiv} <http://www.maj.ir/english/Main/Default.asp>
- ^{xv} Rangelands of Iran, an overview. 2006. Badripour, H., Eskandari, N and Rezaei, S. A.
- ^{xvi} The land with less than 5% canopy cover is not considered as rangeland.
- ^{xvii} Badripour, Hossein, et.al (2006) *Rangelands of Iran: An Overview*, FRWO, MoJA, pp. 49
- ^{xviii} Badripour, Hossein, et.al (2006) *Rangelands of Iran: An Overview*, FRWO, MoJA, pp. 49
- ^{xix} <http://www.fao.org/docrep/009/j5838e/J5838E05.htm>

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n, given the high contribution of oil resources to the national income and the fluctuation in the oil price.

^{xxv} The importance of this should not be underestimated. For example, in Isfahan province, the provincial FRWO employs 4,000 persons directly, but nationally funded FRWO programmes employ a further 56,000 staff.

^{xxvi} Non Wood Forest products in the Near East: A Regional and National Overview, 2001.
<http://www.fao.org/DOCREP/003/Y1797E/y1797e09.htm>

^{xxvii} PressTV: The fifth Iranian development plan.
<http://www.youtube.com/user/PressTVGlobalNews#p/search/0/600qYJ1ugyo>, cf,
http://en.wikipedia.org/wiki/Economy_of_Iran#cite_note-32

^{xxviii} The National Action Programme to Combat Desertification and Mitigate the effects of Drought (FRWO, 2004).

^{xxix} http://www.iwmi.cgiar.org/publications/working_papers/working/wp125.pdf

^{xxx} Qadir, M., Qureshi, A. S. and Cheraghi, S.A. M. (2007). Extent and characterisation of salt-affected soils in Iran and strategies for their amelioration and management. M. 1 2 *, 3, S. A. M. Cheraghi 4. Land Degradation & Development, Volume 19 Issue 2, 2007. pp 214 – 227.

^{xxxi} The Technical Office of Rangelands (TOR) puts rangelands into Mountainous and Plains categories.

^{xxxii} <http://www.icarda.org/GEF/AgroBio3.HTML>

^{xxxiii} FRWO is the Executing Agency for this project.

^{xxxiv} RFLDL is implemented in Kerman and South Khorasan. MINARED sites are located in Semnan and Tehran, Kermanshah, Yazd and Sistan-Baluchistan provinces.

^{xxxv} http://www.rifr-ac.ir/index_eng.htm