



# REQUEST FOR CEO ENDORSEMENT<sup>1</sup>

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

## PART I: PROJECT INFORMATION

Project Title: <b>Building a Multiple-Use Forest Management Framework to Conserve Biodiversity in the Caspian Hyrcanian Forest Landscape</b>			
Country:	Iran	GEF Project ID: <sup>2</sup>	4470
GEF Agency:	UNDP	GEF Agency Project ID:	4078
Other Executing Partner:	Forests, Rangeland and Watershed Organisation (FRWO) of the Ministry of Agriculture	Submission Date:	26 November 2012
GEF Focal Area:	Biodiversity	Project Duration(Months)	60 Months
Name of Parent Program (if applicable): For SFM/REDD+ <input checked="" type="checkbox"/>	N/A	Agency Fee (\$):	190,000

### A. FOCAL AREA STRATEGY FRAMEWORK<sup>3</sup>

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Grant Amount (\$)	Cofinancing (\$)
<b>BD-2:</b> Mainstream Biodiversity Conservation and Sustainable Use into Production Landscapes/ Seascapes and Sectors	Outcome 2.1: Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation	Output 2.1. Policies and regulatory frameworks (at least 1 major policy shift in forestry) for production sectors.	GEF TF	1,710,000	4,758,750
Subtotal				1,710,000	4,758,750
Project management cost <sup>4</sup>			GEF TF	190,000	516,250
<b>Total project costs</b>				<b>1,900,000</b>	<b>5,275,000</b>

### B. PROJECT FRAMEWORK

<b>Project Objective:</b> To put in place a collaborative governance system and know-how for managing a mosaic of land uses in the Caspian Hyrcanian forest that provides habitat integrity and helps maintain landscape level ecosystem functions and resilience						
Project Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Grant Amount (\$)	Confirmed Cofinancing (\$)
1. An enabling policy and regulatory framework	TA	<p>Policy and regulatory frameworks for managing multiple use forest landscape s ensures improved biodiversity conservation across~ 800,000 ha of forests</p> <p>At least 100,000 ha of new biodiversity set asides<sup>5</sup> under FRWO management defined (formally approved and with appropriate and clear management guidelines) and in place in the Caspian Hyrcanian forest landscape</p> <p>No net loss of forest cover in areas defined as high interest for biodiversity and ecosystem functions between mid-term and end of the project</p>	<p>National regulations and policies (inventory, function mapping and zoning, carrying capacity and utilisation plans etc.) for planning and management for Caspian Hyrcanian forest landscapes based on biodiversity mainstreaming needs reviewed and adopted. Among others, these regulations will respect principles such as maintenance of connectivity, preserving landscape integrity, ensuring stand quality and complexity for improved biodiversity conservation.</p> <p>National and local operational guidelines in place to manage multiple land uses in forest landscapes including improved forestry, small holder agriculture and</p>	GEFTF	569,500	1,923,500

<sup>1</sup> It is important to consult the GEF Preparation Guidelines when completing this template

<sup>2</sup> Project ID number will be assigned by GEFSEC.

<sup>3</sup> Refer to the [Focal Area/LDCF/SCCF Results Framework](#) when filling up the table in item A.

<sup>4</sup> This is the cost associated with the unit executing the project on the ground and could be financed out of trust fund or cofinancing sources.

<sup>5</sup> The objective is to create areas of 'protection' within the production forests to sensitive / critical habitats and areas harboring 1 or more endangered species. Formal approval will be by the Forest High Council thereby ensuring that they will remain protected.

			<p>livestock practices</p> <p>Sustainable land use plan for Caspian Hyrcanian forest, based on in depth biodiversity information, and management options analyses, that a) define biodiversity rich areas that will be protected as set-asides (formally approved and with clear management guidelines) and b) lay out appropriate land-uses and management practices to be prescribed in the adjacent production landscape</p> <p>Systematic analysis of values of forests and externalities of deforestation and forest degradation incorporated into sector decisions and finance options identified to offset opportunity costs.</p>			
2. Institutional and staff capacity strengthening for multiple-use forest management	TA	<p>Increase in capacity at the national and local levels for multiple use of forests, enabling FRWO staff to be able to effectively implement multiple use approaches and utilise biodiversity conservation measures</p> <p>Increased biodiversity management measures for the Forest biodiversity set asides delivers increased protection to 120,000 hectares under pilot interventions including indicator species such as Caucasus leopard and the brown bear plus to flagship plant species (e.g. Wild Cherry-<i>Cerasus avium</i> and Wych Elm-<i>Ulmus glabra</i>) and indirectly, through policy inputs, to 800,000 ha</p> <p>Multiple land-use management of pilot forest landscape directly reduces pressures from agriculture and unsustainable use in 120,000 hectares; and indirectly over at least 800,000 ha of forests through post project replication activities</p>	<p>Central and district staff of FRWO and other key stakeholders trained and able to apply / oversee multiple-use landscape level forest management</p> <p>Training materials and best practices incorporated into FRWO staff induction courses</p> <p>Effective monitoring and enforcement systems in place to control harvesting forest resources</p> <p>Best practices manual and guidelines for multiple-use forest landscape management prepared, tested and revised</p> <p>Sustainable land-use plan implemented in pilot landscape to provide learning by doing and input to fine tune general Caspian Hyrcanian Forest landscape</p> <p>Replication plan for 5 pilot landscapes initiated with secured resources from central and provincial government by the end of the project.</p>	GEFTF	513,000	1,132,500
3. Community piloting of integrated forest management	TA	<p>Increased employment opportunities and increased income from sustainable forestry for the benefit of local communities – leading to direct engagement in sustainable revenue generating activities in forested areas</p> <p>Forest degradation due to agriculture, illegal cutting and livestock grazing in community pilots decreased by at least 50% in total pilot area</p> <p>At least 30,000 ha of forest under community management with clear tenure and rights improves stewardship of forests reducing illegal harvesting</p>	<p>Alternative livelihood development plan implemented that includes agri-livestock based activities (independent to forest ecosystems) and also a NTFP enterprises development and value addition strategy</p> <p>At least 2 community-based FMPs developed and implemented that include prescriptions for sustainable use of forest resources, resource sharing mechanisms, responsibilities of the local communities in the implementation of the plan.</p>	GEFTF	627,500	1,702,750

			Subtotal	1,710,000	4,758,750
			Project management Cost <sup>6</sup>	GEFTF 190,000	516,250
			<b>Total project costs</b>	<b>1,900,000</b>	<b>5,275,000</b>

#### C. SOURCES OF CONFIRMED COFINANCING FOR THE PROJECT BY SOURCE AND BY NAME (\$)

Sources of Co-financing	Name of Co-financier (source)	Type of Cofinancing	Cofinancing Amount (\$)
National Government	Forests, Rangeland Watershed Organization (FRWO)	Grant	3,000,000
National Government	Forests, Rangeland Watershed Organization (FRWO)	In-Kind	1,925,000
GEF Agency	UNDP	Grant	150,000
GEF Agency	UNDP	Grant (paralle)	200,000
<b>Total Co-financing</b>			<b>5,275,000</b>

#### D. GEF/LDCF/SCCF RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY<sup>1</sup>

GEF Agency	Type of Trust Fund	Focal Area	Country Name/ Global	(in \$)		
				Grant Amount (a)	Agency Fee (b) <sup>2</sup>	Total c=a+b
UNDP	GEF TF	Biodiversity	Iran	1,900,000	190,000	2,090,000
<b>Total Grant Resources</b>				<b>1,900,000</b>	<b>190,000</b>	<b>2,090,000</b>

#### E. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

Component	Estimated Person Weeks	Grant Amount (\$)	Cofinancing (\$)	Project Total (\$)
Local consultants*	246.3	369,500	1,200,000	1,569,500
International consultants*	55.0	165,000		165,000
<b>Total</b>	<b>301.3</b>	<b>534,500</b>	<b>1,200,000</b>	<b>1,734,500</b>

\*Details provided in Annex C.

#### F. PROJECT MANAGEMENT COST

Cost Items	Total Estimated Person Weeks	Grant Amount (\$)	Co-financing (\$)	Project Total (\$)
Local consultants*	96.7	145,000	200,000	345,000
International consultants*	3.3	10,000	0	10,000
Office facilities, equipment, vehicles and communications*	-	10,000	200,000	210,000
Travel*	-	10,000	116,250	126,250
Others**	-	15,000	0	15,000
<b>Total</b>	<b>100</b>	<b>190,000</b>	<b>516,250</b>	<b>706,250</b>

\* Details provided in Annex C. \$200,000 covers FRWO hire of local consultants plus personnel allocated to Project Central Office

\*\* \$15,000 for audits (see M&E Plan)

<sup>6</sup> Same as footnote #3.

**G. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? No**

**H. DESCRIBE THE BUDGETED M & E PLAN:**

A Project Inception Workshop will be conducted with the full project team, relevant government counterparts, co-financing partners, the UNDP-CO and representation from the UNDP-GEF Regional Coordinating Unit. A fundamental objective of this Inception Workshop will be to assist the project team to understand and take ownership of the project's goal and objective, as well as finalise preparation of the project's first AWP. This will include reviewing the log-frame (indicators, means of verification, assumptions), imparting additional detail as needed, and on the basis of this exercise, finalizing the AWP with precise and measurable performance indicators, and in a manner consistent with the expected outcomes for the project.

Additionally, the purpose and objective of the IW will be to: (i) introduce project staff with the UNDP-GEF team which will support the project during its implementation, namely the CO and responsible Regional Coordinating Unit staff; (ii) detail the roles, support services and complementary responsibilities of UNDP-CO and RCU staff vis à vis the project team; (iii) provide a detailed overview of UNDP-GEF reporting M&E requirements, with particular emphasis on the Annual Project Implementation Reviews (PIRs) and related documentation, the Annual Review Report (ARR), as well as mid-term and final evaluations. Equally, the IW will provide an opportunity to inform the project team on UNDP project related budgetary planning, budget reviews, and mandatory budget rephasings. The IW will also provide an opportunity for all parties to understand their roles and responsibilities within the project's decision-making structures, including reporting and communication lines.

A detailed schedule of project review meetings will be developed by project management, in consultation with project implementation partners and stakeholder representatives and incorporated in the PIR. Such a schedule will include: (i) tentative time frames for Project Steering Committee Meetings (PSCM) and (ii) project related M&E activities. Day-to-day monitoring of implementation progress will be the responsibility of the NPM based on the project's AWP and agreed indicators. The NPM will inform the UNDP-CO of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion. The NPM will also fine-tune the progress and performance/impact indicators of the project in consultation with the full project team at the Inception Workshop with support from UNDP-CO and assisted by the UNDP-GEF Regional Coordinating Unit. 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 AWP. Targets and indicators for subsequent years would be defined annually as part of the internal evaluation and planning processes undertaken by the project team.

Measurement of impact indicators related to global biodiversity benefits will occur according to the schedules defined in the Inception Workshop, using tracking tool scores, assessments of forest cover, wildlife movements and other means. Periodic monitoring of implementation progress will be undertaken by the UNDP-CO through quarterly meetings with the Implementing Partner, 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. Annual Monitoring will occur through the Project Steering Committee Meetings (PSCM). This is the highest policy-level meeting of the parties directly involved in the implementation of a project. The project will be subject to PSCMs four times a year. The first such meeting will be held within the first six months of the start of full implementation.

A terminal PSCM will be held in the last month of project operations. The NPM is responsible for preparing the Terminal Report and submitting it to UNDP-CO and UNDP-GEF RCU after close consultation with the PSCM. It shall be prepared in draft at least two months in advance of the terminal PSCM in order to allow review, and will serve as the basis for discussions in the PSCM. The terminal meeting considers the implementation of the project as a whole, paying particular attention to whether the project has achieved its objectives and contributed to the broader environmental objectives. 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. UNDP COs and UNDP-GEF RCU as appropriate, will conduct yearly visits to project sites based on an agreed upon schedule to be detailed in the project's PIR/AWP to assess first hand project progress. A Field Visit Report/BTOR will be prepared by the CO and UNDP-GEF RCU and circulated no less than one month after the visit to the project team, all PSC members, and UNDP-GEF

**Project Reporting.** The core project management team, in conjunction with the UNDP-GEF extended team, will be responsible for the preparation and submission of the following reports that form part of the monitoring process. The first six reports are mandatory and strictly related to monitoring, while the last two have a broader function and their focus will be defined during implementation.

A Project Inception Report (PIR) will be prepared immediately following the Inception Workshop. It will include a detailed First Year Work Plan divided in quarterly time-frames 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 the UNDP-CO or the Regional Coordinating Unit (RCU) or consultants, as well as time-frames 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 AWP, and including any M&E requirements to effectively measure project performance during the targeted 12 months time-frame. The PIR 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. When finalised, the report will be circulated to project counterparts who will be given a period of one calendar month in which to respond with comments or queries. Prior to this circulation of the IR, the UNDP CO and UNDP-GEF's Regional Coordinating Unit will review the document.

The Annual Project Report/ Project Implementation Review must be completed once a year. The APR/ PIR is an essential management and monitoring tool for UNDP, the Executing Agency and PCs and offers the main vehicle for extracting lessons from ongoing projects at the portfolio level.

Quarterly progress reports: Short reports outlining main updates in project progress will be provided quarterly to the local UNDP CO and the UNDP-GEF RCU by the project team, headed by the Policy Specialist using UNDP formats.

UNDP ATLAS Monitoring Reports: A Combined Delivery Report (CDR) summarizing all project expenditures, is mandatory and should be issued quarterly. The NPM will send it to the PSC for review and the Executing Partner will certify it. The following logs should be prepared: (i) The Issues Log is used to capture and track the status of all project issues throughout the implementation of the project. It will be the responsibility of the NPM to track, capture and assign issues, and to ensure that all project issues are appropriately addressed; (ii) the Risk Log is maintained throughout the project to capture potential risks to the project and associated measures to manage risks. It will be the responsibility of the NPM to maintain and update the Risk Log, using Atlas; and (iii) the Lessons Learned Log is maintained throughout the project to capture insights and lessons based on the positive and negative outcomes of the project. It is the responsibility of the NPM to maintain and update the Lessons Learned Log.

Project Terminal Report: During the last three months of the project the project team under the NPM will prepare the Project Terminal Report. This comprehensive report will summarise all activities, achievements and outputs of the Project, lessons learnt, objectives met, or not achieved, 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 the long term sustainability and the wide replicability of the Project's outcomes. Periodic Thematic Reports: As and when called for by UNDP, UNDP-GEF or the Implementing Partner, the project team will prepare Specific Thematic Reports, focusing on specific issues or areas of activity. The request for a Thematic Report will be provided to the project team in written form by UNDP and 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.

Technical Reports are detailed documents covering specific areas of analysis or scientific specialisations within the overall project. As part of the PIR, 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 APRs. Technical Reports may also be prepared by external consultants and should be comprehensive, specialised 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 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, under the NPM, will determine if any of the Technical Reports merit formal publication, and will also (in consultation with UNDP, the government and other relevant stakeholder groups) plan and produce these Publications in a consistent and recognisable 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.

**Independent Evaluations.** The project will be subjected to at least two independent external evaluations as follows: An independent Mid-Term Evaluation will be undertaken at exactly the mid-point of the project lifetime. The Mid-Term Evaluation will determine progress being made towards the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organisation, terms of reference and timing of the mid-term evaluation will be decided after consultation between the parties to the project document. The Terms of Reference for this Mid-term evaluation will be prepared by the UNDP CO based on guidance from the UNDP-GEF Regional Coordinating Unit. An independent Final Technical Evaluation will take place three months prior to the terminal Project Steering Committee meeting, and will focus on the same issues as the mid-term evaluation. The final evaluation will also look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. The Final Technical Evaluation should also provide recommendations for follow-up activities.

### Project Monitoring and Evaluation Plan and Budget

Type of M&E activity	Responsible Parties	Budget USD <i>Excluding project team Staff time</i>	Time frame
Inception Workshop	<ul style="list-style-type: none"> <li>National Project Manager</li> <li>UNDP CO</li> <li>UNDP GEF</li> </ul>	\$10,000	Within first two months of project start up
Inception Report	<ul style="list-style-type: none"> <li>Project Team</li> <li>UNDP CO</li> </ul>	None	Immediately following Inception workshop
Measurement of Means of Verification for Project Purpose Indicators	<ul style="list-style-type: none"> <li>National Project Manager will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members</li> </ul>	To be finalised in Inception Phase.	Start, mid and end of project
Measurement of Means of Verification for Project Progress and Performance (measured on an annual basis)	<ul style="list-style-type: none"> <li>Oversight by National Project Manager</li> <li>Monitoring and Evaluation Officer</li> <li>Project team</li> </ul>	To be determined as part of the Annual Work Plan's preparation.	Annually prior to ARR/PIR and to the definition of annual work plans
ARR and PIR	<ul style="list-style-type: none"> <li>Project Team</li> <li>UNDP-CO</li> <li>UNDP-GEF</li> </ul>	None	Annually
Quarterly progress reports	<ul style="list-style-type: none"> <li>Project team</li> </ul>	None	Quarterly
CDRs	<ul style="list-style-type: none"> <li>National Project Manager</li> </ul>	None	Quarterly
Issues Log	<ul style="list-style-type: none"> <li>National Project Manager</li> <li>UNDP CO Programme Staff</li> </ul>	None	Quarterly
Risks Log	<ul style="list-style-type: none"> <li>National Project Manager</li> <li>UNDP CO Programme Staff</li> </ul>	None	Quarterly
Lessons Learned Log	<ul style="list-style-type: none"> <li>National Project Manager</li> <li>UNDP CO Programme Staff</li> </ul>	None	Quarterly
Mid-term Evaluation	<ul style="list-style-type: none"> <li>Project team</li> <li>UNDP- CO</li> <li>UNDP-GEF Regional Coordinating Unit</li> <li>External Consultants (i.e. evaluation team)</li> </ul>	\$30,000	At the mid-point of project implementation.

Final Evaluation	<ul style="list-style-type: none"> <li>Project team,</li> <li>UNDP-CO</li> <li>UNDP-GEF Regional Coordinating Unit</li> <li>External Consultants (i.e. evaluation team)</li> </ul>	\$30,000	At the end of project implementation
Terminal Report	<ul style="list-style-type: none"> <li>Project team</li> <li>UNDP-CO</li> <li>local consultant</li> </ul>	Funds are budgeted for local consultants to assist where needed	At least one month before the end of the project
Lessons learned	<ul style="list-style-type: none"> <li>Project team</li> <li>Monitoring and Evaluation Officer</li> <li>UNDP-GEF Regional Coordinating Unit (suggested formats for documenting best practices, etc)</li> </ul>	0	Yearly
Audit	<ul style="list-style-type: none"> <li>UNDP-CO</li> <li>Project team</li> </ul>	\$3,000 per annum	Yearly
Visits to field sites	<ul style="list-style-type: none"> <li>UNDP Country Office</li> <li>UNDP-GEF Regional Coordinating Unit (as appropriate)</li> <li>Government representatives</li> </ul>	Paid from IA fees and operational budget	Yearly

## **PART II: PROJECT JUSTIFICATION**

### **A. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:**

#### **A.1.1. THE GEF FOCAL AREA/LDCF/SCCF STRATEGIES:**

This proposed project in Iran is in line with GEF Strategic Objective 2 of GEF 5 in the Biodiversity Focal Area: *Mainstream biodiversity conservation and sustainable use into production landscapes, seascapes and sectors* and in particular *Outcome 2.1: Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation*. The successful implementation of this project will set the foundations for replication of the approach in other important forest ecosystems across the country.

The project will conserve biodiversity in key landscapes within the Caspian Hyrcanian broadleaf deciduous forest ecoregion. The ecoregion is recognized for its high levels of endemism; it is also an important storehouse of threatened species. It will do this by strengthening the national and local policy framework governing land use in the Caspian Hyrcanian forests (which cover an area of approximately 1.8 million hectares), enhancing the rights and roles of the local communities in their management and demonstrating ways and means of improving management (including land use planning, zoning, compliance monitoring and enforcement). The project will trigger a paradigm shift from sector-focused management to multiple use management, to reduce the conjunction pressures arising from different land uses. It will put in place the necessary policy and regulatory mechanisms needed to mainstream biodiversity conservation considerations into land use plans and build the capacities of key institutions to implement the reformed planning and management approach.

Strategic Outcome	Indicators	Project's contribution
Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation	Policies and regulatory frameworks (number) for production sectors.	Putting in place a collaborative governance system and know-how for managing a mosaic of land uses in the Caspian Hyrcanian forest, incorporating policy inputs, capacity building and community involvement through a biodiversity mainstreaming approach that provides habitat integrity and helps maintain landscape level ecosystem functions and resilience

#### **A.2. NATIONAL STRATEGIES AND PLANS OR REPORTS AND ASSESSMENTS UNDER RELEVANT CONVENTIONS, IF APPLICABLE, I.E. NAPAS, NAPS, NBSAPS, NATIONAL COMMUNICATIONS, TNAS, NIPS, PRSPS, NPFE, ETC.:**

This project addresses multiple priorities for the development of a mainstreaming approach to biodiversity conservation in Iran. The project responds to the NBSAP. GEF is the main funding mechanism for providing assistance to developing

countries to facilitate them to achieve the targets set out within the CBD – to which they are signatories. Environmental concerns are an important priority in Iran. The priority accorded by the Government of the Islamic Republic of Iran to biodiversity conservation, and broader natural resource management is underscribed through the National Biodiversity Strategy and Action Plan (NBSAP, 2006) as well as Vision 2025 and other relevant NDPs.

With support from UNDP/GEF (Biodiversity Enabling Activity), Iran has prepared a detailed NBSAP, which highlights the global significance of Iran's biodiversity, at the ecosystem (notably unique mountain ranges and desert ecosystem), species (notably large numbers of endemic and rare plants adapted to the harsh conditions) and genetic levels (for example, the wild relatives of many commercially important species). The NBSAP notes that, until recently, Iran's biodiversity was well protected, both through the formal protection system and through traditional management practices. However, in recent years, population growth, natural resource management practices and sectoral policies have adversely affected biodiversity. The NBSAP has significantly influenced the development and implementation of the country's biodiversity policy framework. This framework, in turn, has led to the development of the National Biodiversity Strategy, preparation of the biodiversity National Action Plan for implementation of the national biodiversity strategies, and the preparation and delivery of many National Reports to the CBD. Iran's four national biodiversity strategies are: *Promotion of public awareness and participation; formation of biodiversity information systems; sustainable use of biodiversity resources; and Integrated management of biodiversity.*

In addition the first draft of Action Plan to make the national strategies practicable were prepared in 1999, after declaration of National Strategies, and in a participatory manner involving stakeholders from governmental, non-governmental and private sectors. The NBSAP has enhanced the environmental agenda of Iran by influencing the conservation agenda and proposing new tasks for several governmental institutions, including the FRWO and DoE, two lead agencies in Iran. Further, the Constitution of the Islamic Republic of Iran states that all legal and real persons have a duty to protect the environment. The Constitution prohibits all activities, economic or otherwise, that may result in irreparable damage to the environment. Over the past 15 years, the Government of the Islamic Republic of Iran has increasingly striven to operationalise these objectives, by paying increasing attention to environmental issues and to biodiversity conservation. The Fourth NDP (2005-2009) devotes an entire Chapter to Environmental Protection. The first Article in this Chapter states the importance of biodiversity conservation and emphasises the government's commitment to implementing the NBSAP<sup>7</sup>. The Constitution (Article 50) and the Environmental Protection Act (1974), both call for preventive and remedial measures for the protection and rehabilitation of the environment and set the broad policy framework with which this project is aligned. This project is also in line with and will contribute to the National Strategy for Environment and Sustainable Development (NSE) that is in turn linked to the NDP. This delineates Iran's principal environment and development objectives and establishes linkages with cross-sectoral plans.

The CBD considers PAs as cornerstones for biodiversity conservation and as critical tools for reducing the current rate of loss of species and habitats in all types of ecosystems (2010 biodiversity target, decision VI/26). Iran ratified the CBD in 1996. There is a strong policy framework for environmental management and for biodiversity conservation in Iran and the country has taken a number of key steps for environmental management that resonate positively for biodiversity conservation.

Iran has taken a number of significant steps toward realizing its commitments under the CBD, including strengthening the institutional framework for conservation and passing necessary enabling legislation. The proposed project will fulfil a number of the objectives of the Convention, including the in situ conservation of biodiversity and the enhancement of national capacities to manage natural ecosystems. Furthermore, the project is fully in line with national policies and strategies to protect biodiversity, including those recently articulated within the NBSAP. The project is strongly supported by the Iranian authorities and has been endorsed by the GEF Operational Focal Point (see attached letter of support). In addition, Iran has ratified a number of other environmental conventions such as CITES, the Ramsar Convention, which it also hosted, the WHC and the UNCCD. Iran ratified the UNFCCC in 1996. Iran is eligible for technical assistance from UNDP.

---

<sup>7</sup> NBSAP was approved on June 11<sup>th</sup>, 2002 by Environmental High Council (EHC).



## **B. PROJECT OVERVIEW:**

### **B.1. DESCRIBE THE BASELINE PROJECT AND THE PROBLEM THAT IT SEEKS TO ADDRESS:**

Iran represents a bridge between five major bio-geographical regions: Euro-Siberian, Turanian, Mediterranean, Sahara-Sindian and Sudano-Decanian. As a result the country contains several major repositories of biodiversity. One such repository is the Caspian Hyrcanian Mixed Forest Ecoregion, listed by the World Wide Fund for Nature (WWF) as a Global 200 Ecoregion, located in Northern Iran along the southern coast of the Caspian Sea and northern slopes of the Alborz Mountains. These ancient broadleaf and mixed lowland and montane forests form unique and diverse communities and house a number of endemic and endangered tree, mammal and bird species. More than one-tenth of Iran is forested, and the Caspian Hyrcanian forests constitute over 17 % of total forest cover of Iran.

The Caspian Hyrcanian forests contain remnants from the Tertiary period and are rich in relic and endemic species. Whilst in many parts of Europe and Siberia forests were unable to survive the cold temperatures, the climate near the Caspian Sea remained milder, which allowed the survival of much of the forest including some species which consequently became endemic to the Caspian Hyrcanian forests. There are currently around 150 endemic species of trees and shrubs in the Caspian Hyrcanian forests, including the Hyrcanian box tree (*Buxus hyrcana*), Caucasian pear (*Pyrus communis* subsp. *caucasica*), Caucasian oak (*Quercus macranthera*), Persian ironwood and Caucasian lime (*Tilia x euchlora*).

The rich plant diversity of the Caspian Hyrcanian landscape has led to a high diversity of animals. The forests form part of the Caucasus biodiversity hotspot, with up to 60 mammal species plus 340 bird, 67 fish, 29 reptile and 9 amphibian species occurring in various habitats of the region, including forest, rangelands and wetlands. The Caspian tiger, the largest carnivore of Iran, became extinct 20 years ago. Other mammals which still inhabit the area but which have also declined dramatically include the Caucasus leopard (*Panthera pardus caucasica*), Eurasian lynx (*Lynx lynx*), brown bear (*Ursus arctos*), wolf (*Canis lupus*), golden jackal (*Canis aureus*), jungle cat (*Felis chaus*), and common otter (*Lutra lutra*). The red deer (*Cervus elaphus*), once widely distributed across the Caspian Hyrcanian landscape, has reduced in number to 1,100 individuals, most of which are restricted to Golestan NP and Asalem forest in Gilan. The Caspian Hyrcanian forests are also listed as an IBA; the landscape lies along an important migratory route between Russia and Africa and is a resting area for many birds as they migrate. A total of 340 bird species occur in the region, with 53 % migrants and 47 % residents. 80 % are water birds, which are attracted to the region by its wetlands and extensive large water bodies with many permanent rivers. Some important indicator species of the Caspian Hyrcanian forests and confined to this region are: the lesser spotted eagle (*Aquila pomarina*), Eurasian honey buzzard (*Pernis apivorus*), greater spotted woodpecker (*Dendrocopus major*), black woodpecker (*Dryocopus martius*), Caspian tit (*Parus hyrcanus*) and coal tit (*Parus ater*).

The landscape is divided between five provinces: Ardebil and Northern Khorasan, which are located on the western and eastern edges respectively, and Gilan, Mazandaran and Golestan, which are allocated the central majority of the area. The Caspian Hyrcanian landscape of Iran is predominantly agriculture-based, and agricultural activities account for a large share of economic activities; they provide approximately 36% of total employment in the region and 20% of GDP. Services provide 42% of the region's employment and 61 % of GDP, while manufacturing contributes approximately 10% of employment. Agro-industries, including wood, pulp, paper and textiles, are the main manufacturing activities in the area. The remaining employment opportunities include construction, mining, water and electricity industries.

Despite their rich biological endowment, the Caspian Hyrcanian forests nearly halved in size between 1955 and 2000 (from 3.4 million hectares to 1.85 million hectares). This has caused significant loss of biodiversity not only through forest conversion and associated loss of habitat but also from forest degradation and habitat fragmentation. There are several main causes of deforestation; logging, conversion for agriculture and settlement, and livestock herding. With an average population density of 126 people per km<sup>2</sup>, the natural land of the Caspian Hyrcanian landscape is under great pressure from these activities. Since 1976 the total population of Gilan, Mazandaran and Golestan has increased from just under four million to 7.3 million, dramatically increasing pressure on the landscape. This pressure is further increased in summer months when domestic tourism is also high. Gilan is the greater populated of the three provinces

and as a result the forest is more degraded and the landscape more fragmented.

The main threats to the Caspian Hyrcanian landscape include:

- **Illicit felling for timber and firewood.** The Caspian Hyrcanian forests are Iran's main source of commercial timber and trees are also felled for poles, firewood and charcoal, with firewood being the main use, although the government strictly controls the felling of trees. Timber is harvested by local communities for domestic use, and illicit felling remains common. These generally involve the high grading of commercially important species for example beech, yew, box, oak, Siberian elm, maple and wild cherry. This in turn leads to forest degradation. Since 1991 wood extraction has declined dramatically, for example the extraction for fuelwood was reduced from over 170,000 m<sup>3</sup> in 1991 to just 50,000 m<sup>3</sup> in 2006. This has been due to increased law enforcement and the provision of substitutes: gas lines are now being installed in order to replace wood as the main source of fuel. However the price of gas fuel is too high for many people, exacerbated by recent cuts in energy subsidies – meaning there is still great dependency on fuelwood and this is likely to increase as long as energy prices remain high.
- **Climate change.** Over the long-term, climate change is expected to create new threats. During the last half-century, mean annual temperatures have increased about 1.28 °C to 2.45°C<sup>8</sup>. There is a trend towards lower and more uncertain rainfall patterns—both in spatial terms as well in temporal terms. Forest degradation is expected to be further exacerbated by climate change, which will reduce habitat quality as different species react according to their adaptability. Habitat shifts will threaten species as they move into degraded areas where survival is low. Further increases in temperature will push the alpine species of the Alborz and Tالش mountains up altitudes, resulting in species loss at the highest points. Climate change is also expected to increase the frequency and intensity of forest fires—already a major problem.
- **Unsustainable agriculture practices.** Forests continue to be cleared by small-scale farmers for agriculture. This is partly attributed to the fact that as land holdings tend on average to be small (e.g. in Mazandaran land ownership averages 6 ha per family), and families are large (average family size of 5.6 persons in Mazandaran), meaning that the land area is too small to provide for family subsistence. However, it is also attributable to weak enforcement of forest clearance regulations, which means that families do not need to manage by intensifying farming on existing plots; they clear more land instead. Added to this is that agricultural techniques are fairly unsophisticated in terms of lack of expertise and modern techniques and equipment. As a result, extensive clearance of land is the main factor in increasing productivity rather than more efficient farming techniques. Out of a total land area of 5.8 million ha in the three provinces, 1.3 million ha is under cultivation of annual crops and orchards, and 1.9 million ha are forest-covered.
- **Overgrazing and damage to forest floor.** Animal husbandry is the second greatest source of income for local families in the Caspian Hyrcanian forests after agriculture; in 2003 the livestock population of the region constituted approximately 7% of the total for the country. However, animal husbandry practices are traditional, and without modern and efficient methods and facilities for livestock keeping, the level of animal husbandry in the Caspian Hyrcanian landscape has become unsustainable. The landscape lacks natural rangelands and so livestock are taken to graze in the forests at high densities, compacting the soil and consuming shoots and saplings, limiting regeneration and degrading the forest, with adverse socio-economic impacts. In addition, herdsman illegally cut trees and shrubs to create open spaces where ground cover of herbaceous plants quickly develops and forms new pastures. Modern methods in livestock keeping as well as product processing and selling are needed not only to put less pressure on the forest but also to develop local and individual economy. Local governments, supported by the central government, have for a long time worked to reduce the deforestation; actions have included afforestation as well as limiting numbers of livestock to a sustainable level, and the multi-use forestry concept is increasingly being pursued.
- **Uncoordinated economic development.** A total of 7.3 million people live in the Caspian Hyrcanian landscape, with a population density of 126 people per km<sup>2</sup>, which is 2.7 times greater than for the country as a whole. In the majority of cases, economic development is leading to biodiversity loss because government decision

---

<sup>8</sup>Jafari, M. 2008. Investigation and analysis of climate change factors in Caspian Zone forests for last fifty years. Iranian Journal of Forest and Poplar Research 16: 314-326

making systems do not currently account for biodiversity management needs; similarly, they fail to account for the multiple ecosystem services provided by the Caspian Hyrcanian forests and to internalise the environmental costs of development. More recently government-sponsored development programmes have placed infrastructure such as reservoirs and roads, and promoted mining and industrial development in ecologically sensitive areas. Roads accelerate deforestation and degradation by facilitating access to forest areas while other developments have led to a population influx. Linked with this is tourism; unsustainable domestic tourism poses a significant threat to biodiversity in the Caspian Hyrcanian landscape. The landscape is very popular among domestic and international tourists due to its warm and lush climate in an otherwise arid and semi-arid country, together with a landscape of mountains, rivers and springs. However, currently tourism activities are not regulated and the industry is becoming a threat to the biodiversity of the area through infrastructure development and littering. The natural beauty of the Caspian Hyrcanian landscape provides the area with great potential for ecotourism; the Cultural Heritage, Handicrafts and Tourism Organisation (CHHTO) manages ecotourism but the industry is fairly undeveloped here. The government is currently investing in creating a great number of accommodation facilities in Gilan and Mazandaran and there should be many opportunities to create excellent ecotourism packages such as hiking, fishing, birdwatching and health tourism.

A key challenge is to develop economically and financially feasible approaches to conservation and sustainable use of forest landscapes that address multiple competing sector demands on forests. Substantial global environmental benefits would accrue from enhanced biodiversity status and carbon sequestration, were this challenge to be successfully addressed. About 15 percent of the Caspian Hyrcanian forests have already been designated as PAs to conserve biodiversity although the management effectiveness of many reserves is sub-optimal. These areas are legally under the jurisdiction of the DoE as part of the national PA estate, but many are managed on DoE by FRWO, which has a stronger field staff presence in the landscape. Other areas across the landscape are designated as forest protection areas, mainly for watershed protection, falling directly under the administrative jurisdiction of FRWO. These cover some 10 percent of the forest (around 180,000 ha). What is important from a biodiversity point of view is that the effectiveness of these different areas in conserving biodiversity patterns and ecological processes is determined and that a system is put in place that can plan and manage a matrix of land uses that enables the conservation of critical habitat patches and maintains forest connectivity across the landscape.

## **SUMMARY OF BASELINE SITUATION**

The Government of the Islamic Republic of Iran is already undertaking a number of projects aimed at strengthening environmental management in the Caspian Hyrcanian forests. In addition there are a number of new projects proposed in the 5-year development plan that will further fortify the baseline foundation of the project, such as the afforestation and reforestation initiatives. Government policy has become further orientated towards the protection and sustainable management of natural resources; however, biodiversity and its economic value is yet to be mainstreamed into policies and management strategies. Without the basic support of biodiversity within policies, action into increasing institutional capacity for appropriate biodiversity management has so far been inadequate.

There are several Articles within the 5<sup>th</sup> NDP regarding the management of forest and land resources: under Article 148 the government is mandated to substitute wood fuel with fossil fuel and renewable energies; expand the planting of fuel wood trees, intensify enforcement measures to reduce smuggling of forest and rangeland products, and eliminate timber import tariffs; support industrial animal husbandry to promote forest protection; expand rehabilitation and planting of forest lands; and ensure that all kinds of resource harvesting are conducted according to the carrying capacity of the ecosystems. According to Article 182, a Land-use Planning Council is responsible for the coordination and monitoring of regional development plans and activities. Under Article 192, the Government is mandated to develop guidelines for the economic valuation of priority resources including forest, water, soil, energy and biodiversity, and to internalise the economic values of environmental resources into national accounts

In addition there are a number of new projects proposed in the 5-year development plan that will further fortifies the baseline foundation of the project. The on-going programmes of relevance, which involve annual expenditures of USD

\$7 million include the project *Conservation of the Caspian Hyrcanian forests* that has identified and demarcated the boundaries of some 5,000 hectares of new forest reserves and equipped guard stations and invested in the maintenance of 10,000 hectares of existing reserves. Significant efforts have been made to manage fires across the entire landscape, albeit with a focus on fire fighting rather than prevention.

New programmes include a group of forest management activities with a budget in the order of \$ 120 million USD over 5-years. These include a) fiscal reforms -waiving tariffs on imported timber to facilitate easier import of timber so as to substitute domestic production; b) afforestation and reforestation initiatives in degraded forest areas; and c) the promotion of renewable energy and substitution of fuel wood including for example through the development of woodlots of fast growing species such as poplar. This will reduce the threat on forests from illegal timber felling and firewood collection. An additional baseline programme will strengthen livestock management. With an estimated investment of \$ 33 million USD over five years, this will seek to a) resolve land rights issues; b) promote stall feeding and c) support community cooperatives for permanent forest dwellers to manage pasture lands and fodder collection.

### **Baseline Situation – Policy Environment for Mainstreaming and Multiple Use**

In the ‘business as usual’ context, without the GEF Alternative, currently, there is an insufficient regulatory basis for integrated forestland multiple use management with limited emphasis on biodiversity conservation. Currently 10% of FRWO areas are under biodiversity set-asides, but there is no systematic management regime for biodiversity conservation. There are incidents of illicit felling in Caspian Hyrcanian landscape, involving high grading of commercially important species. FRWO and other partners have strong respective FMPs, however these are not coordinated and lack inclusion of biodiversity conservation practices. There are a range of production sectors in the Caspian Hyrcanian Forests, including forestry, tourism and agriculture – yet a lack of a coordinated approach. Land use plans exist at the basin/catchment levels under FRWO management and similar plans exist for DoE management of PAs. However, a coordinated plan for production sectors does not exist. Ecosystem goods and services are utilised by production sectors, however their true ecological value is not understood or incorporated into the economics of key production sectors.

### **Baseline Situation – Capacity of Forest Management**

In terms of a business as usual scenario, there are currently technical capacity gaps within FRWO to effectively address biodiversity management, facilitate community-based FMPs or wider inter-sectoral management strategies. Management of existing FRWO set-asides is based on ensuring certain forests are conserved because of being on an extreme gradient, for replanting and to prevent harvesting endangered tree species. Zonation does not currently include biodiversity (including fauna) conservation measures. Different production sectors - like forestry and tourism - are managed in isolation to one another, even though biodiversity is being lost owing to the combined pressures posed by different land uses. The concept of a multiple use approach is not integrated into management thinking in key sectors. FRWO and other stakeholders engaged in the Caspian Hyrcanian Forests thus lack a coordinated approach to forest management. Although FRWO have management and monitoring systems in place for their own area, community based forests require support to monitoring and enforcement. Indeed, understanding of multiple use approaches to forest management is generally limited. Land use planning exists at various levels within the governance of the Caspian Hyrcanian Forests, but lacks coordination in general terms and as an extension of the baseline situation, there is not currently a pilot based approach to testing multiple use management nor a replication strategy

### **Baseline Situation – Community Engagement**

The Caspian Hyrcanian region is predominantly agriculture-based, however there are latent opportunities to be found from forest based activities that are not currently been seized. Forest degradation is leading to a loss of 0.5% of forests per year. Forests are managed by FRWO, with the opportunities for community management largely unexploited. In terms of training, there is a general lack of skills and capacities for adding value to the NTFPs harvested from the forest, constraining communities’ ability to secure and retain a greater share of economic benefits. Further, there is inadequate community involvement and know-how for the management of multiple-use of forests, with a lack of a participatory

approach with FRWO and other stakeholders.

## THE LONG-TERM SOLUTION

The long-term solution to the conservation predicament facing Iran's unique Caspian Hyrcanian forest landscape proposed by this project is thus to build on the baseline and establish the necessary governance system and know-how for a landscape management approach to decision making and use of the Caspian Hyrcanian forests which nests PAs within a matrix of conservation-compatible land uses in order to maintain biodiversity, ecosystem functions and resilience across the landscape as a whole.

**An enabling policy and regulatory framework.** The Caspian Hyrcanian forests are Iran's main source of commercial timber and make an important contribution to Iran's economy. As well as their economic importance, the forests provide crucial ecosystem services such as the regulation of water flow through the ecosystem, influencing processes such as infiltration, river flow, water sedimentation and soil erosion. These processes affect other land uses such as agriculture, livestock husbandry and orchards, which are the main sources of income for most people in the Caspian Hyrcanian landscape, and which produce exportable goods for the rest of Iran. Sustainable management of these forests is therefore critical for both the livelihoods of the local populations and for Iran's economy as a whole and this importance needs to be reflected in the policies and regulatory frameworks guiding land use practices.

All productive sectors involving land use, including forestry, agriculture, livestock husbandry, water management, tourism and the development of infrastructure, can negatively impact on the natural environment if managed inappropriately. For example, traditional livestock practices, impacting on a vast area of land across altitudes and landscapes, are widespread in the three pilot areas and are damaging to forest habitats. Therefore, policies and frameworks for all of these activities need to take into account the whole landscape and the environmental cost of the activity rather than focusing only on the activity itself. Mainstreaming the conservation of the forests and their biodiversity outside of PAs into government policies will help to ensure that all activities influencing the landscape are carried out in a way that minimises their impact and sustains the health of the forest in the long term.

**Institutional and staff capacity strengthening for forest management.** With policies and regulatory frameworks in place to ensure the mainstreaming of best practices in biodiversity conservation, there needs to be the capacity to manage the land and resources accordingly. A significant investment needs to be directed towards activities involving the sensitisation of local governments and authorities to the relevant policies and regulations and guidelines for enforcement. Capacity strengthening for law enforcement, including increased staff numbers, the provision of relevant management and communication systems, will enhance the ability of the authorities to take multiple use approaches, manage zones and seasonal changes to biodiversity, control illegal logging and inappropriate land use techniques.

Comprehensive management plans based on the policies and the use of appropriate management techniques will guide stakeholders towards best practices. Awareness raising of stakeholders about the science behind sustainable forest and landscape management, as well as training in techniques such as biodiversity monitoring, zonation, then use of biodiversity set-asides and appropriate growing and harvesting methods in forestry practices, will enable stakeholders to better implement their management plans. With the knowledge and skills base in place, practical tools to aid more efficient land use as well as enhanced communication between stakeholders will reduce conflict between land users, enabling the landscape to be managed sustainably as a whole.

**Community engagement in multiple-use forest management.** Multiple-use, integrated forest management will allow local communities more power over their land, a greater sense of ownership and therefore more reason to want to protect it. It gives local land users the knowledge and skills to manage the land themselves alongside other land users, increasing connectivity and reducing their dependence on external aid and services, for example, plantation managers, and thereby increasing their own gains. Establishing functional pilots involving community-engaged management will help to ascertain the best procedures to take and techniques to use in order for successful forest management, and lessons can be learned and the system replicated elsewhere

## **BARRIERS TO THE LONG TERM SOLUTION**

Despite many successes, the forest management system for the Caspian Hyrcanian landscape still suffers from some shortcomings, which need to be addressed if the long-term solution is to be achieved.

**Inadequate policy and regulatory frameworks for landscape-level multiple use forest management.** Currently, there is an insufficient regulatory basis for integrated forest land use management, covering multiple economic sectors, particularly for a central stakeholder in the management of the forestry sector: FRWO. The forestry sector is managed according to the principles of production and consumption and forest management systems under FRWO oversight are focused on single usage: timber production. Other management options and uses have not been prioritised (such as alternative livelihoods), biodiversity conservation measures are not sufficiently integrated into management practices and linkages between different production sectors - particularly forestry and tourism – are insufficient. Similarly there are no guidelines for decision makers, to guide such management. Government planning procedures do not account for multiple ecosystem values and fail to internalise the environmental costs of economic development. Thus, different sectors are managed in isolation to one another—even though, in general terms, biodiversity is being lost owing to the combined pressures posed by different land and forest uses. Further, although there is now a greater acceptance within FRWO of the need to move towards greater community engagement in forest management, only a few attempts have been made to involve the local communities directly in forest management through the design of experimental ‘community forest’ pilot areas. Furthermore there are no established norms governing community involvement in forest management: largely because the focus to date has been on utilising contractors (both community and private sector) from the sole perspective of timber production rather than any multiple use approaches.

**Weak institutions and limited technical capacities at national and local levels for enforcement of forest management and coordination and regulation of land uses.** The lack of adequate capacity within the FRWO for effective integrated, multiple-use management and for engaging with other institutions that have a jurisdiction or interests over the Caspian Hyrcanian forests is an important constraint. For example FRWO staff have limited technical capacity to effectively address biodiversity management considerations in plans and activities, including in management zoning and the creation of biodiversity set-asides – namely areas where no production or utilisation is allowed in order to conserve the biodiversity values therein. Although highly competent in terms of production forest management, FRWO staff also lack the skills to facilitate biodiversity mainstreaming into their management plans, to develop and implement community-focused FMPs or wider inter-sectoral management strategies to address threats to biodiversity and to effectively engage with local communities and other institutions to forge partnerships. There is an urgent need to strengthen forest monitoring and enforcement from the context of viewing forests for their biodiversity values in their own right, rather than solely for managing timber production. To address the current gaps in operational capacities it is important the staff avail opportunities to ‘learn by doing’.

**Inadequate community involvement and know-how for the management of multiple-use of forests.** Despite strong indigenous and local knowledge of the forest and its values, local communities have little knowledge or experience with mainstreaming biodiversity conservation objectives into resource use practices. This is because forest management has taken a top down approach, managed by FRWO, with low scale involvement of resident and forest adjacent communities. Communities typically lack the capacity to take-up forest management where such a role is assigned to them as part of any multiple-use plan. For instance where limited community managed forestry has been allowed on an experimental basis, local communities have resorted to hiring of professional foresters to manage the areas, thus incurring huge costs in professional fees that make such enterprises less viable. There is also a general lack of skills and capacities for adding value to NTFPs harvested from the forest, constraining their ability to secure and retain a greater share of the economic benefits from resource extraction at the community level. Limited access to capital and technical knowledge of new livelihood options and access to markets also hinders adoption of viable alternative livelihoods. Further limited access rights and the low influence communities have in decision making on resource use and management have hitherto prevented them playing an active role in forest management.

**B. 2. INCREMENTAL /ADDITIONAL COST REASONING: DESCRIBE THE INCREMENTAL (GEF TRUST FUND) OR ADDITIONAL (LDCF/SCCF) ACTIVITIES REQUESTED FOR GEF/LDCF/SCCF FINANCING AND THE ASSOCIATED GLOBAL ENVIRONMENTAL BENEFITS (GEF TRUST FUND) OR ASSOCIATED ADAPTATION BENEFITS (LDCF/SCCF) TO BE DELIVERED BY THE PROJECT:**

**PROJECT STRATEGY**

This project focuses on a wide stretch of Caspian Hyrcanian forests in the Alborz mountains range, along the southern littoral of the Caspian Sea, and straddling three provinces. The rationale behind this project is to adopt a landscape level conservation approach that goes beyond PA boundaries in their different forms or communal lands by viewing landscapes as ecological blocks that provide shared productive resources which require effective biodiversity management approaches if species and habitats are to be maintained. By adopting this approach, this project and the systems and activities it creates thereafter will improve the returns per-unit-of-investment in biodiversity management by strengthening the capacity of the government to manage and regulate the use of biological diversity in the productive Caspian Hyrcanian landscape - a notable part of the GEF V mainstreaming strategy - while also exploiting opportunities to support the production of biodiversity-friendly goods and services by forest resource managers and users including the private sector and communities.

The project will conserve biodiversity within the Caspian Hyrcanian mixed forest ecoregion. The ecoregion is recognised for its high levels of endemism; it is also an important storehouse of threatened species. It will do this by (a) strengthening the national and local policy framework governing land use in the Caspian Hyrcanian forests (which cover an area of approximately 1.8 million hectares), putting in place the necessary policy and regulatory mechanisms needed to mainstream biodiversity conservation considerations into land use plans, (b) build the capacities of key institutions to implement the reformed planning and management approach and (c), through a pilot based approach, enhance the rights and roles of the local communities in their management and demonstrating ways and means of improving management (including land use planning, zoning, compliance monitoring and enforcement). The project will support a cross sectoral approach to biodiversity management by putting in place a governance framework that mainstreams biodiversity into land-use planning and optimises multiple uses of forests through different productive sectors to enhance biodiversity status while generating socio-economic benefits. It will also contribute in general terms to the four key strategies articulated within the NBSAP which are: (i) promotion of public awareness and participation; (ii) formation of biodiversity information systems; (iii) sustainable use of biodiversity; and (iv) integrated conservation of biodiversity. It is in line with the NBSAP priority of conserving and rehabilitating threatened forest ecosystems.



In this figure, the blue dots indicate potential pilot sites (for replication) and the red ones point out to current selected pilots. From left (west), the red dots indicate (a) Dohezar (b) Baliran and (c) Chelchai basins.

### ***The Caspian Hyrcanian Forest Landscape with Selected and Indicative Pilot Areas***

The project will work at both the landscape level and the pilot site level. At the landscape level, the project expects to facilitate the upgrading of policy and regulatory frameworks for managing multiple use forest landscapes to ensure that biodiversity conservation mainstreaming measures can be implemented, through management plan and actions across ~800,000 ha of forests by the end of the project, and ultimately lead to mainstreaming being adopted more broadly in the whole landscapes of 1.8 million ha as well as seeing lessons learnt being carried over to other forested areas of the country. The project will directly bring at least 100,000 ha of forested land under strengthened land management arrangements designed to conserve biodiversity, involving the use of biodiversity set-asides. These are areas of secure tenure under FRWO mandate that are set aside for non-utilisation permanently on the basis of management zoning through the FRWO management planning system. These biodiversity set-asides will be formally approved by the Forest High Council (the highest decision making body for the management of forest resources and landscapes in the country). Thus once approved, the areas will enjoy high level of tenure security - as conversion into another land use or amending management guidelines pertaining to the areas can only be reversed by a further decision by the Council. The reasons for protection and selection of areas for biodiversity set-asides will include a number of factors such as the elevation and location of a particular part of forest (importance for preserving important functions such as riparian, sensitive habitats), the movement of wildlife through the forest (conserving corridors), and the occurrence of one or more rare and endangered species (indicating high biodiversity). Whilst the particulars of the set asides will be determined through support to mainstreaming biodiversity conservation into the planning process (backed up by training, with the engagement of other government stakeholders, local communities and the private sector), they will be large enough to be relevant, viable and efficient in preserving the species or ecosystem functions.

The potential addition of formal protected areas in the Caspian Hyrcanian forests under the management of its sister agency, the Department of Environment (DoE) was an expressed objective in the PIF. However, the PPG consultation process revealed that achieving biodiversity conservation objectives in the Caspian Forests at scale (including through forms of protection) requires far greater integration into FRWO. Whilst DoE have a strong history and indeed mandate of conservation, FRWO's history is in production. The mainstreaming approach that is at the core of this project requires recognition that the majority of Caspian Hyrcanian forests are under FRWO management and it is in these areas that priority focus is required – utilizing the opportunity that biodiversity set asides brings through setting aside production land for conservation purposes. The Caspian Hyrcanian forests are unique in the country in that they have a dedicated division with a separate Deputy Head of the organization within the FRWO and the management of these areas is solely undertaken by this division. Given its strong mandate in the Caspian forests it was agreed that FRWO would be appropriate agency that will be responsible for landscape level biodiversity conservation initiatives in the region. On set asides, FRWO already considers some forest landscapes as “Conservation Forest”. The main reasons for assigning these areas for conservation are: a) mass occurrence of one or more endangered species in an area; b) being on slopes and/or other conditions that make timber harvesting difficult or impossible. The idea of biodiversity set asides stems from the concept of “Conservation Forests” with a significant difference: currently conservation forests don't enjoy any management regime. It means that no management plan is prepared for these patches and the only measure taken is physical protection. Set-asides on the other hand are areas that are designated specifically for conservation of biodiversity resources with functional management plans. Since these conservation areas currently do not enjoy secure tenure nor are they guided by proper management guidelines, the project proposes to improve both tenure security and efficiency of these conservation areas by designating them as biodiversity set-asides – formally approved and with the explicit objective of conserving biodiversity as detailed into approved management plans.

The designation of biodiversity set asides is expected to directly deliver increased protection to 120,000 hectares and thereby leading to increased conservation of indicator species such as Caucasus leopard and the brown bear as well as to flagship plant species such as Wild Cherry and Wych Elm. As the use of biodiversity set-asides is proven in practice, through further sharing of lessons and development of relevant strategies for replication, the project is expected to indirectly bring around 800,000 ha under broadly improved landscape level biodiversity conservation, with areas of set-asides across the landscape, while productive areas that are not set aside managed with biodiversity conservation management controls in place.

Local communities are key stakeholders in the management and protection of forests and biodiversity conservation in the Caspian area. Within the project pilot areas, at least 30,000 ha of forest in will be identified that will be brought under



community management with clear tenure and rights improves stewardship of forests reducing illegal harvesting.

Project pilot sites that have been identified during the PPG include Dohezar, Baliran and Chelchai based on the following criteria: (1) Ecological (2) Socio-economic and (3) Managerial and Institutional<sup>9</sup>. An overview of these pilots is given in table A while table B provides summary characteristics/ criteria.

**Table A: Overview of Beneficiary Pilot Areas**

Criteria  pilots	Total area (hectare)	General maps of the area	# populated villages	Number of inhabitants	Distance to the city (kilometer)	Logistic back- stopping	Available development infrastructure					
							Electricity	Car road	Drinking water	Health center	Natural Gas pipeline	Local community
Chelchai	25,680	Yes	24	12577	5	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Baliran	20,605	Yes	8	10552	0	Yes	Yes	Yes	Yes	Yes	No	Yes
Dohezar	29,619	Yes	23	2728	15	Yes	Yes	Yes	Yes	Yes	No	Yes

**Table B: Key Characteristics (Criteria) of Pre-Selected Pilot Areas**

	Protected area including or adjacent	Endemic / high conservation value species	BD threats	Communities' resource exploitation	Part. NRM experience	Mgt plan applying to the area	Major potential alternative livelihood	Potential for community participation
Chelchai	10 and 37 km distance with Khoshyeylagh PA and Golestan NP	Populous caspica, taxus baccata, panther pardus	Forest degradation, deforestation and land use changes	agriculture, animal grazing,	No	yes	sericulture, aquaculture, beekeeping, tourism,	yes
Baliran	12 kilometers with Haraz PA	Parrotia persica, sorbus torminalis, panther pardus,	timber smuggling, intense animal grazing,	timber smuggling, intense animal grazing,	no	ordinal forest management plan prepared but not implemented	aquaculture, beekeeping, tourism, handicraft	yes
Dohezar	Adjacent to Beleskoh PA	Parrotia persica, buxushyrcana, taxus baccata, panther pardus,	forest degradation, land use change, deforestation, illegal logging	animal grazing, fuel wood gathering,	SGP project experience	comprehensive forest management plan but not implemented	tourism, aquaculture, handicraft, breeding ornamental plants breeding	yes

The systemic interventions planned will indirectly improve the status of biodiversity for a significant portion of northern Iran. This will be achieved directly by formulating appropriate policies and related frameworks and also replicating the approach of setting aside areas of high biodiversity importance - and indirectly - by improving the capacity for decision making amongst landscape level stakeholders and developing best practice multiple-use land management plans. The forests are the main source of biodiversity in the Caspian Hyrcanian landscape and their sustainable management, by also providing benefits to communities, will ensure that important habitats for biodiversity will be supported in the long term. The project takes a comprehensive approach towards mainstreaming approaches to conserving biodiversity within the Caspian Hyrcanian landscape.

This project aims to demonstrate that all sectors can work together through an integrated approach and that the development of an integrated sustainable forest management framework that involves the state, communities, civil society and the private sector in decision making can lead to better conservation practices and sustainable livelihoods. By design, the project will engage key stakeholders in implementing biodiversity management measures for these landscapes

<sup>9</sup>**Ecological Criteria:** Existence of internationally significant biodiversity values; Proximity to Protected Areas (inc. DoE PAs and FRWO set-asides; limitation to catchment boundaries (catchments with less than 50 kha of area are preferred); suffering from manageable threats: **Socio-Economic Criteria:** Existence of forest dwellers and local consumption of resources; potential for different income generation activities; any record of participatory natural resources management activities is an asset. **Managerial and Institutional Criteria:** enjoying acceptable logistics and backstopping; availability of adequate reliable data and information, and proven local/regional commitment and priority for implementation of the project

through consideration into their respective strategies and practices.

The engagement of stakeholders is of crucial importance and will include the creation of stakeholder groups at each pilot site to encourage shared planning exercises and lessons learning. The project will promote broad stakeholder participation among the public, private sector and communities focusing on conservation, sustainable use and equitable sharing of benefits accrued in line with the three objectives of the CBD. The project will provide for the development of management planning and learning materials to ensure models for long-term sustainability are in place and provide a strategy and plan for the replication of best practices and lessons that can be used to create similar situations of multiple use forest management across the country and internationally. This project also builds on such coordination lessons from previous UNDP-GEF and other partner projects especially the Zagros mountains project.

## **PROJECT GOAL, OBJECTIVE, OUTCOME, COMPONENTS AND OUTPUTS**

**The Goal of this Strengthened National Terrestrial Protected Area Networks Programme is:** “An effective multiple use forest governance system is in operation resulting in enhanced biodiversity and maintained landscape level ecosystem functions, integrity and resilience for the Caspian Hyrcanian forests of Iran.”

**The project will be responsible for achieving the following project objective:** “To put in place a collaborative governance system and know-how for managing a mosaic of land uses in the Caspian Hyrcanian forest that provides habitat integrity and helps maintain landscape level ecosystem functions and resilience”.

The proposed project is designed to lift the barriers to the long term solution of establishment of a landscape approach to the management of biodiversity. The project will comprise three complementary components, which will be cost shared by the GEF and co-financing. Each addresses a different barrier and has discrete outcomes.

### **COMPONENT 1. An enabling policy and regulatory framework**

### **COMPONENT 2. Institutional and staff capacity strengthening for multiple-use forest management**

### **COMPONENT 3. Community piloting of integrated forest management**

The three components, and their related outcomes are described in further detail as follows:

**Component 1: National and local level policies and regulatory frameworks enable optimised planning and management:** Under this component, the project will establish a forest management policy and accompanying regulations in support of biodiversity conservation within multiple-use forest landscapes, encompassing biodiversity set-asides under FRWO and the surrounding production landscape. First, it will support the development of the national regulations and planning guidelines that will help the FRWO ensure that land use and sector development plans for these forest areas consider biodiversity conservation needs. Second, the project will help the FRWO as the lead organisation prepare together with other stakeholders a sustainable land use plan for the Caspian Hyrcanian mixed forest ecoregion that defines new protected forest areas and areas slated for other uses. – including how to address threats through effective management zoning and guidelines over types of use of forestry, agriculture, livestock and tourism practices as well as on seasonal usage plans. The plan once prepared will be presented and validated at a broader stakeholders meeting including Civil Society Organisations (CSOs) and Community Based Organisations (CBOs) representatives to get their views before being ratified and put in place.

This will lead to the inclusion of an additional 100,000 hectares of land of high biodiversity significance as biodiversity set-asides under FRWO management, while also defining other important habitat blocks and corridors, where production activities will be controlled to enhance their conservation-compatibility. Biodiversity set-asides will be likely managed by FRWO directly because they do not have a direct production value and because FRWO has the enforcement mandate – however there is scope for these areas to be included as part of management contracts – whether to the community or private sector – which incorporate a clause that set-asides have to be managed as part of a wider production area. Baseline investments will be geared—in terms of their spatial focus, to reducing threats at source. This will include, inter

alia, providing alternative fuel wood sources for communities, in areas suffering from firewood collection, as well as efforts to improve farming systems and strengthen livestock husbandry to address threats from agriculture. These will be accompanied by measures under component 2, to strengthen the enforcement of regulations.

Specific outcomes of the first component are expected to be:

- Policy and regulatory frameworks for managing multiple use forest landscapes ensures improved biodiversity conservation across ~ 800,000 ha of forests;
- At least 100,000 ha of new biodiversity set asides under FRWO management defined and approved (with management guidelines) and in place in the Caspian Hyrcanian forest landscape.
- No net loss of forest cover in areas defined as high interest for biodiversity and ecosystem functions between mid-term and end of the project;
- National regulations and policies (inventory, function mapping and zoning, carrying capacity and utilisation plans etc.) for planning and management for Caspian Hyrcanian forest landscapes based on biodiversity mainstreaming needs reviewed and adopted;
- National and local operational guidelines in place to manage multiple land uses in forest landscapes including improved forestry, small holder agriculture and livestock practices;
- Sustainable land use plan for Caspian Hyrcanian forest, based on in depth biodiversity information, and management options analyses, that a) define biodiversity rich areas to be gazetted as new PAs and secure financial resources for their management and b) lay out appropriate land-uses and management practices to be prescribed in the adjacent production landscape;
- Systematic analysis of values of forests and externalities of deforestation and forest degradation incorporated into sector decisions and finance options identified to offset opportunity costs;

***Component 2: Institutional and individual capacities strengthened for multiple-use forest management:*** This component will build the capacity of FRWO so that they are able to apply and enforce the new policy and regulatory frameworks developed under component 1. The project will develop training curricula and modules to train staff of these institutions so that they are able to apply/oversee the application of the revised management approach in the Caspian Hyrcanian forests. The strong focus on capacity building within this component reflects that whilst FRWO has considerable skills and experience in forestry as a productive sector, through its own admission and willing needs support and training on (a) diversification of forest uses, including involving other production sectors like tourism, and (b) on mainstreaming conservation practices in day to day management oversight and monitoring. The rationale is that FRWO as an organisation will be far more likely to meet conservation objectives – including tackling threats like overgrazing and hunting, if there is a culture of conservation embedded into the organisational DNA of FRWO. Although not directly responsible for controlling wildlife movements (and addressing hunting) which is a DoE mandate, capacity in FRWO will be built up to ensure the importance of wildlife and wildlife movements is fully understood – making it easier for FRWO to alert and assist DoE in addressing threats to wildlife as well as forestry. In order to ensure the sustainability of the capacity development process post-project, it will also support the development of training modules and curricula to be incorporated into the induction and refresher courses that the training divisions of these two institutions offer to new recruits.

The project will also support the development and put in operation an effective participatory monitoring and enforcement mechanism to monitor resource uses by local communities - backed up by FRWO enforcement - so that they adhere to prescribed harvest limits, specified species to avoid creaming, avoid no take zones, curtail illicit felling of trees and monitor the multi-use management plan as it is implemented. This monitoring and evaluation (M&E) function will also ascertain factors that help or hinder the success of the community based FMPs so that Caspian Hyrcanian forest based guidelines for replication can adequately capture success factors. To facilitate ‘learning by doing’, implementation of the multiple use plan will be supported. This will enable the assessment of results and subsequent revision of the plan.

Specific outcomes of the second component are expected to be:

- Increase in capacity at the national and local levels for multiple use of forests, enabling FRWO staff to be able to effectively implement multiple use approaches and utilise biodiversity conservation measures;
- Increased biodiversity management measures for the forest biodiversity set asides delivers increased protection to 120,000 hectares under pilot interventions including indicator species such as Caucasus leopard and the brown bear plus to flagship plant species (e.g. wild cherry and Wych elm) and indirectly, through

policy inputs, to 800,000 ha;

- Multiple land-use management of pilot forest landscape directly reduces pressures from agriculture and unsustainable use in 120,000 hectares; and indirectly over at least 800,000 ha of forests through post project replication activities;
- Central and district staff of FRWO and other key stakeholders trained and able to apply / oversee multiple-use landscape level forest management;
- Training materials and best practices incorporated into FRWO staff induction courses;
- Effective monitoring and enforcement systems in place to control harvesting forest resources;
- Best practices manual and guidelines for multiple-use forest landscape management prepared, tested and revised;
- Sustainable land-use plan implemented in a pilot landscape to provide learning by doing and input to fine tune general Caspian Hyrcanian Forest landscape;
- Replication plan for at 5 other pilot landscapes initiated with secured resources from central and provincial government by the end of the project.

**Component 3: Strengthened community capacities:** Through a targeted programme the project will build knowhow among the local communities and community institutions as relevant to adjust land uses, to reduce pressures on biodiversity. The increased involvement of local communities in decision-making is expected to enhance their 'ownership' of the Caspian Hyrcanian Forests Management Plan. Specific measures will be taken over an area of at least 30,000 hectares, selected to reduce pressures on critical biodiversity areas. This will include i) identification of areas for sustainable harvest of forest resources; ii) establish locally appropriate management arrangements; and iii) emplace participatory monitoring and enforcement mechanisms. This will also ensure that local communities have secure and clear tenure arrangements that will encourage communities' investment of time and resources in the management of the forest resources. This component will demonstrate viable community based forest management that (a) generates benefits for local communities through creation of employment opportunities based on conservation compatible land use, and (b) garners support to the protection services of the FRWO and complements their limited monitoring and enforcement capacities to reduce threats across the whole landscape. All these activities will be encompassed and delivered through a Community FMP that will detail prescriptions for sustainable use, off-take areas, schedule harvest timings during the plan period. This plan will also stipulate the M&E requirement of the plan such as participatory assessments as well as periodic monitoring by the FRWO to ensure that the activities are being implemented as per plan and to identify and document lessons. As part of this participatory M&E system at project start, local communities supported by FRWO staff trained in the use of participatory assessment, monitoring and evaluation tools will carry out participatory forest inventories accompanied by a socio-economic assessment during the first year to set the baseline conditions. This will be monitored over the course of the project implementation (at least once a year) will include variables such as: a) the distribution and abundance of locally identified important species and some proxy to measure the habitat quality such as "no loss" of forest area to measure biodiversity conservation results; b) participatory surveys of household perceptions on the importance of forests, change in incomes and living standards to measure the social and economic impact of the community forestry component including alternative livelihood development activities. Monitoring will also include participatory assessments of compliance to strategies and guidelines that are contained in the CF management plans – that would be developed for each of the CF pilots. In addition to the participatory M&E, periodic monitoring by the FRWO will also be carried out especially in regard to ensuring compliance to the prescriptions of the CF management plans.

In addition a broad income generation / alternative livelihoods strategy will be implemented as part of the community-based plan that will explore the potential of other income generating opportunities identified during the PPG (and to be further confirmed during implementation). During the PPG period, several consultations were held with local communities to identify the following information (table xxx) as the basis for detailing out an alternative livelihood development framework for the project. These included information on the kinds of economic activities that individual households or groups of households were undertaking including production, processing and marketing of products based

on natural resources as well those services that are nature based. Following this, efforts were made to identify support services and conditions available. For instance information was gathered on available local organisations and groups (NGOs, CSOs) who are interested in or are currently engaged in supporting the development of community enterprises leading to increased household incomes. These institutions will become important partners while rolling out the alternative livelihood development activities under the project especially in mobilizing community groups and provision of business development trainings. Likewise, support available (and importantly that is required) from financial and marketing services that have such facility for small micro-enterprises were also identified. In the project areas several community groups and individual households that have experience with some type of alternative livelihood option whose experience will form primary baseline for the development of such enterprise under the projects.

**Table C: Summary of consultations with local communities on alternative livelihood options**

<b>Livelihood opportunity</b>	<b>Project areas</b>	<b>Impact no of people</b>	<b>Baseline condition</b>	<b>Support services required</b>	<b>Potential markets</b>
Dairy product marketing	Chelchahi, Baliram, Dohezar,	~ 10-30 % of the population	A number of livestock farms exist in uplands of the basin.	Improvement of livestock productivity and grazing systems; livestock extension	Neighboring cities (e.g.Amol) and direct sale to tourists who visit the area
Cultivation and sale of medicinal and aromatic plants	Chelchahi, Dohezar, Polyrood	~ 15 – 30 % of the population	Sporadic experiences at the community level Limited experience with processing	Training and extension work on cultivation and processing. Support to linking with markets (especially sellers in Tehran)	Current markets include neighboring cities (Dohezar, Tonekabon) as well as Tehran. Potential overseas market.
Eco-tourism (including adventure)	Chelchahi, Baliram Dohezar	~upto 50 % of the population	Natural environment with supportive geomorphology suitable for kite flying; rivers for rafting (Dohezer);reasonable tourist facilities exists at Baliram and Dohezer)land grab by the rich for private villas	Guidelines on sustainable tourism; government support towards tourism infrastructure development; training on BD friendly measures; A sustainable tourism plan is required for most places esp. Dohezar.	Mainly domestic tourists from Amol and other cities
Beekeeping	Baliram, Polyrood	30-40 % of the population	Local people have experience harvesting wild honey	Training on beekeeping Extension messages targeted at adoption	Visiting tourist and local cities are natural markets

It is encouraging that there exists some limited experience related to working together as a group. The project aims to target community groups (consisting of a number of households) rather than individual households – to support efficient utilization of limited funds and increase social capital in the communities. Thus under this component, the project will undertake activities that are geared towards group formation and strengthening existing community groups. Such groups will require training on business development, book keeping etc. besides substantive knowledge in the area of the alternative livelihood that will be developed together. The training need assessment, preparation of curriculum, identification of resource persons will be carried out to achieve this. Substantive training imparted will include skills such as: small scale dairy farming based on sustainable grazing management practices; sustainable fishing and aquaculture; improved horticulture development; gums and resin collection and sale; rural craft making; development of eco-tourism products etc.

In order to implement the alternative livelihood options, this component will also provide technical and financial support to the community groups for community based enterprises that may reduce communities' further dependence on the natural resources. The strategy shall broadly involve 'hard' and 'soft' components. While the soft component will involve imparting necessary vocational skills to the communities, the 'hard' component will offer support for practicing the skills acquired. The alternate livelihoods as described in the table will include activities such as – eco-tourism; apiculture; aquaculture; tailoring, plumbing and other household appliances repair, servicing of rural renewable energy devices. To ensure that these micro-enterprises remain viable, co-funding from government sources are secured and will subsidize some of the up-front costs that are key barriers for these enterprises. While the target beneficiaries will be forest resident, forest dependent communities, targeting will also ensue to select more poor households. In addition the project will carry out a reasonable gender analysis and shall take steps to ensure that perceptions and interests of both women and men are taken into consideration.

Specific outcomes of the third component are expected to be:

- Increased employment opportunities and increased income from sustainable forestry for the benefit of local communities – leading to direct engagement in sustainable revenue generating activities in forested areas;
- Forest degradation due to agriculture, illegal cutting and livestock grazing in community pilots decreased by at least 50% in total pilot area;
- At least 30,000 ha of forest under community management with clear tenure and rights improves stewardship of forests reducing illegal harvesting;
- Alternative livelihood development plan implemented that includes agri-livestock based activities (independent to forest ecosystems) and also a NTFP enterprises development and value addition strategy;
- At least two community-based FMPs developed and implemented that include prescriptions for sustainable use of forest resources, resource sharing mechanisms, responsibilities of the local communities in the implementation of the plan.

Specifically, the project will deliver 12 Outputs, organised within the three components and summarised here (see Logical Framework for detailed outputs under each component). Each output carries direct indicative activities, detailed in the Logical Framework.

### **Component 1. National and local level policies and regulatory frameworks enable optimised planning and management:**

- **Output 1.1.** *National regulations and policies (inventory, function mapping and zoning, carrying capacity and utilisation plans etc.) for planning and management for Caspian Hyrcanian forest landscapes based on biodiversity mainstreaming needs reviewed and adopted.* This will involve conducting a gap analysis of national policy and regulatory framework for mainstreaming of BD conservation into land-use planning in Caspian Hyrcanian forests and management of forest ecosystems and from that point adjusting and putting into practice the national policy and regulatory framework to meet BD mainstreaming needs. The rationale for doing this lies in the limited policy framework for incorporating BD conservation principles and practices into FRWO management actions.
- **Output 1.2.** *National and local operational guidelines in place to manage multiple land uses in forest landscapes including improved forestry, small holder agriculture and livestock practices.* This will first incorporate the development of operational guidelines for development of multiple land-use management plans for forest ecosystems of the Caspian Hyrcanian landscape, sharing these guidelines with stakeholders for comments and their subsequent finalisation.
- **Output 1.3.** *Sustainable land use plan for Caspian Hyrcanian forest, based on in depth biodiversity information, and management options analyses, that a) define biodiversity rich areas to be classified as biodiversity set-asides and secure financial resources for their management and b) lay out appropriate land-uses and management practices to be prescribed in the adjacent production landscape.* The principle of the plan is based on providing a mechanism with which to incorporate biodiversity management into land use planning that is functional, financially viable and fully understandable to FRWO staff and associated stakeholders such as contractors and communities. The creation of the plan will involve the following steps: (a) Investigative study of known biodiversity rich areas for the Caspian Hyrcanian forests (b) Feasibility study of management options carried out for the Caspian Hyrcanian forests, (c) Financial and business planning carried out for Caspian Hyrcanian forests (d) Assessment of appropriate land-uses and management practices in the landscape, leading to (e) Develop sustainable land use plan and finally (f) to approve, implement and monitor sustainable land-use plan.
- **Output 1.4.** *Systematic analysis of values of forests and externalities of deforestation and forest degradation incorporated into sector decisions and finance options identified to offset opportunity costs.* This will involve the following (a) determine economic values of Caspian Hyrcanian forests' goods and services, (b) determine costs of ecosystem degradation in different land-uses of Caspian Hyrcanian Area and (c) advocate values of forest ecosystems and incorporate values into planning and high level legislation mechanisms. The rationale being that an FRWO that is fully conversant with the true ecosystem values of the forest landscape will be in a considerably stronger position to be able to manage and monitor that landscape, and ensure that ecosystem goods and services and

paid for according to their true values.

## **Component 2. Institutional and staff capacity strengthening for multiple-use forest management:**

- **Output 2.1.** *Central and district staff of FRWO and other key stakeholders trained and able to apply / oversee multiple-use landscape level forest management.* This will firstly involve a training and/or capacity needs assessment for FRWO other key stakeholders to understand the gaps – especially in terms of making the paradigm shift from FRWO as a production focused organisation to one that incorporates BD mainstreaming principles into its day to day management and is trained to taking multiple use approaches. A training/capacity development plan will be developed in a participatory manner involving key stakeholders - including selected local communities - and then implemented, utilising training staff. As part of the process, there will be an open exchange of technical knowledge pertaining to BD mainstreaming and multiple use approaches with specialised national and international entities.
- **Output 2.2.** *Training materials and best practices incorporated into FRWO staff induction courses.* The rationale is that materials will build upon developing the institutional memory and capacity of FRWO and also better link it to other organisations working in forest landscape and biodiversity conservation by incorporating best practices nationally and internationally into the training process. The process will involve the training materials being incorporated into FRWO management guidelines and plans and induction courses set up and in place by specialists – a combination of internal and external expert support will be utilised.
- **Output 2.3.** *Effective monitoring and enforcement systems in place to control harvesting forest resources.* This will incorporate assessing the effectiveness of existing monitoring and enforcement mechanisms and associated gap analyses leading to the development and implementation of a plan to increase effectiveness of existing monitoring and enforcement mechanisms and establishment of new systems. Monitoring will involve communities as well as FRWO and its contractors whilst enforcement is under the mandate of government – both FRWO as well as other law enforcement agencies as appropriate.
- **Output 2.4.** *Best practices manual and guidelines for multiple-use forest landscape management prepared, tested and revised.* There is a considerable need to instil a clear and functional understanding of multiple use approaches to forest management, utilisation and conservation to both FRWO (which to date has been more singularly focused) as well as the contractors - including communities – who can take steps towards the involvement of multiple resource uses in multiple production sectors. This is a educational process which will involve the following steps: (a) investigate in detail socio-economic barriers of multiple-use forest management in the Caspian Hyrcanian forest landscape, (b) investigate indigenous knowledge of forest dwellers for multiple-use forest management, (c) deploy international know-how and best practices of multiple-use forest management and (d) develop best practices manual and guidelines for multiple-use forest management.
- **Output 2.5.** *Sustainable land-use plan implemented in a pilot landscape to provide ‘learning by doing’ and input to fine tune general the Caspian Hyrcanian forest landscape.* During PPG, the first three pilots were selected, including the community pilots. The rationale for sustainable land use plans hinges on shifting forest management practices away from the unsustainable: focus within the planning process will be on addressing key threats to the forest landscape – including overgrazing and hunting – with plans for improved livestock management, grazing controls and advice on stocking and rotation incorporated. In order that impacts of the SLUP can be captured during and at the end of the project period, a robust monitoring and evaluation plan that captures lessons from the implementation plan including the processes involved and any changes / adaptations made will be implemented. The development, monitoring and analysis of the SLUP will be carried out jointly with other sectors including the local communities in a very participatory and inclusive fashion.
- **Output 2.6.** *Replication plan for five pilot landscapes initiated with secured resources from central and provincial government by the end of the project.* Following the pilot, at a later stage in the project, the results will be shared and disseminated into national and landscape level planning processes – by learning by doing approach. The approach taken will incorporate developing a pilot replication strategy, selecting replication pilot landscapes and thereafter to implement the replication strategy and detailing of actions and resources required to enabling replication in all of the project pilot landscapes.

## **Component 3. Community piloting of integrated forest management:**

- **Output 3.1.** *Alternative livelihood development plan implemented that includes agri-livestock based activities*

(independent to forest ecosystems) and also a NTFP enterprises development and value addition strategy. The principle of developing alternative livelihoods as a means to encourage economic diversification and as part of a multiple use approach is to both reduce pressure on forest resources whilst enhancing the economic potential of the landscape. The plan, building on the findings at PPG and working closely with local communities will incorporate the following steps: (a) review and revise sustainable alternative livelihoods strategy developed during PPG, (b) develop detailed sustainable alternative livelihoods plan for each pilot landscape and (c) to implement a sustainable alternative livelihoods plan, including building capacities of local communities in order to be able to take advantage of and benefit from the alternative livelihoods plan.

- **Output 3.2.** *At least two community-based FMPs developed and implemented that include prescriptions for sustainable use of forest resources, resource sharing mechanisms, responsibilities of the local communities in the implementation of the plan.* Of fundamental importance of the ability of FRWO to assign greater levels of management authority of forest lands will lie in the proven ability for communities to rise to the challenge of being successful forest managers. This needs to involve (1) the selection and development of two pilot areas (one of which has already been identified at PPG stage) and (2) a forest management planning process that clearly defines how the community pilots will be managed - steered by the communities themselves with project support – and what the roles and responsibilities shall be. The process will involve the following steps: (a) to assess capacity development needs for communities, NGOs and CBOs engaged in multiple-use forest management, (b) to conduct capacity development exercises followed by participatory management planning for 2 pilot forest landscapes, (c), the development of FMPs for two pilot forest landscapes (d) putting in place a participatory forest assessment, monitoring and evaluation system to measure progress against planned outcomes and impacts.

## GLOBAL AND NATIONAL ENVIRONMENTAL BENEFITS

The project will deliver global benefits by putting in place a governance framework for managing land uses in the Caspian Hyrcanian landscape that provides habitat integrity and helps maintain landscape level ecosystem functions and resilience. The multi-use landscape level planning approach demonstrated by the project is expected to serve as a new model for managing similar mountain forest areas in the country whereby the forest is managed by ensuring an optimal balance among multiple competing uses – one which maximises environmental, economic and social benefits to the society. A summary of the GEF alternative is provided below.

### Current Practices and the GEF Alternative

Current Practice	Alternative to be put in place by the project
Limited monitoring of legal harvest operations and illegal harvesting leads to deforestation and degradation;  Very little management of biodiversity set-asides within the forests	Improved planning and management of forest based on: <ul style="list-style-type: none"> <li>- identification of forest functions and sites special interests and used to develop the landscape level plan and based on of a cost-benefit analysis of economic and other benefits of forests</li> <li>- forest utilisation areas managed strictly as per a management plan monitored and enforced effectively</li> <li>- community access and ownership increased with pilot community forest management in place and reduce pressures on rest of forests</li> <li>- areas of high biodiversity significance identified and set aside as forest biodiversity set-asides under improved FRWO management systems</li> </ul> Delivers the following global benefits: Improved management of forests delivers: sustainable management of more than 800,000 ha of globally significant Caspian forests, with at least 100,000 ha of biodiversity set-asides and 120,000ha under improved management
Overgrazing and indiscriminate cutting of trees for fodder leading to forest degradation	Improved livestock management including improved breeds and reduction in total numbers; improved practices such as stall feeding; fallow land and pastures improved; Delivers the following benefits: reduced pressures from livestock practices and grazing, better regeneration of forests, stable income for local communities
Unsustainable agricultural practices leading to low yields, illegal clearing of forests to supplement production	Improved practices to conserve soil fertility and supplementing household incomes with alternative livelihoods - such as aquaculture, sericulture and beekeeping - to decrease dependence on agriculture; monitoring and prevention of land clearing for agriculture Benefits: better productivity and secure livelihoods for the local communities, discourage encroachment into forest areas thereby significantly reducing pressures.



## Summary of Global and National Benefits

Benefits	Baseline	Alternative	Increment
Global benefits	<p>Mainstreaming approaches will not be taken up to the extent that the opportunity allows; risks from climate change will impact the forest environment with net loss to biodiversity and to incomes</p> <p>Wildlife, unable to range find themselves in areas of limited resources and under increasing pressure from threats from incompatible land uses and unable to adapt to climate change.</p>	<p>Enabled policy and regulatory framework for mainstreaming biodiversity and supporting multiple use approaches</p>	<p>Sustainable management of 800,000 ha Caspian Hyrcanian forest leading to reduced pressures from illegal felling and unregulated community timber harvesting; livestock rearing; encroachment by smallholder farms and emerging threats from infrastructure development;</p> <p>&lt;100,000 ha added as biodiversity set-asides under FRWO management</p> <p>Biodiversity mainstreaming approaches in an additional 120,000 ha of pilot areas</p> <p>&gt;30,000 ha of forestlands under improved community-based management</p>
National and local benefits	<p>Multiple use approaches will not be taken up to the extent that the opportunity allows; risks from biodiversity loss and climate change will impact the nation but particularly the region</p>	<p>Institutional and staff capacity strengthening for multiple-use forest management</p> <p>Community piloting of integrated forest management</p>	<p>Improved management of the Caspian Hyrcanian forests is expected to lead to better conservation of soil and water resources.</p> <p>Greater local employment for people who depend on seasonal employment opportunities for their livelihoods.</p> <p>Sustainable harvest of NTFPs such as sericulture, beekeeping and other products.</p> <p>Increased income from alternative livelihoods developed such as beekeeping, dairy products marketing, rural handicrafts, engagement in eco-tourism etc.</p>

### Global Benefits

The global benefits that will be delivered by the project are: (i) Sustainable management of 800,000 ha Caspian Hyrcanian forest leading to reduced pressures from illegal felling and unregulated community timber harvesting; livestock rearing; encroachment by smallholder farms and emerging threats from infrastructure development; (ii) at least 100,000 ha added as biodiversity set-asides under FRWO management and increased capacity in multiple use, biodiversity mainstreaming approaches in an additional 120,000 ha of pilot areas; (iii) including least 30,000 ha of forestlands under improved community-based management with clear tenure and rights resulting in long term ownership and stewardship of forests by the local people.

### National Benefits

Improved management of the Caspian Hyrcanian forests is expected to lead to better conservation of soil and water resources. A reduction in soil erosion and enhancement of soil organic matter will improve the productivity of agricultural land. Forest function mapping efforts will identify important watersheds and activities to preserve / rehabilitate these areas will be included in the landscape management plan. This will ensure the availability of safe drinking water and water for irrigation. In coordination with the baseline project, the pilot implementation of the landscape plan will generate employment for at least 50% of the people living within the pilot sites of the Caspian Hyrcanian forests who depend on seasonal employment opportunities for their livelihoods. In addition, the project's attention to increasing the role of communities' in forest management will increase direct benefits from the forest such as through the sustainable harvest of NTFPs such as sericulture, beekeeping and other products. Other direct benefits from the project include increase in income (target of at least 15-20 percent increase) for community groups and households who are engaged in alternative livelihood options supported by the project. Indirect project benefits will accrue through the increase in social capital and capacity for collective action amongst communities. The socio-economic benefits will span across all sections of the society including women and marginalised groups. Women are identified as active natural resource users and will be targeted as key beneficiaries. They are the primary resource users and are most likely to be engaged in activities such as fuel wood collection and use, collection of NTFPs etc. The project will expend efforts in

carrying out wherever possible gender analysis for the design of project interventions especially under component three and shall take steps to ensure that perceptions of both women and men are taken into consideration.

## **SUSTAINABILITY**

Sustainability has been a major consideration throughout the development of this project. There are three key interlinked challenges to assuring sustainability, social, economical and ecological.

### **Social sustainability**

The social sustainability of activities and outputs is addressed through the execution of a community forest management capacity analysis and the formation of a detailed integrated forest management involvement strategy and plan which identifies stakeholders' interests, desired levels of involvement, capacities for participation (at different levels) and potential conflicts and, responsive mitigation measures. This will ensure that communities have continuous involvement in decision-making regarding their land and that they continue to support the management system via involvement in income generating practices which will in turn help to conserve the forest. The formulation of strategies and action plans to guide all stakeholders towards working together to manage the land will help to minimise any detrimental impacts of one practice on another, thereby reducing conflict between users in the future. With capacity built at all levels from local communities to district governments, sustainability of Community-based forest management plans will be ensured.

### **Economic sustainability**

On a national level, sustainable forestry practices will ensure that the forests are not depleted and remain viable for key production sectors like forestry and tourism on a long-term basis and continue to significantly contribute to Iran's economy. At the landscape level, since for most people in the area agriculture and animal husbandry is a main source of income, the piloting of agri-livestock based activities has great potential to be replicated across the landscape as it builds upon current skills and knowledge and communities are likely to be open to varieties of their current practices rather than changing their livelihoods entirely. The harvesting and local sale of NTFPs as well as sericulture and beekeeping provides an alternative and some income for many people in the landscape. However, currently the level of knowledge, skill and facilities in the processing, branding and marketing of the products is inadequate to turn these activities into a viable and sustainable livelihood. The project will build capacity for this by implementing education and training programmes in these areas, for example in the processing of cocoons into silk products, thereby adding value to the products sold and increasing income. With regards to the development of tourism in the Caspian landscape, the natural beauty of the landscape in terms of its geological features and its wildlife has the potential to become a booming ecotourism attraction. The area is already very popular amongst domestic tourists, yet tourism facilities are currently limited. Iran is investing in tourism as part of the Vision 2025 initiative, and the capacity building elements of the project in this area will enable ecotourism activities such as hiking and birdwatching to be developed, attracting more international tourists the area thus building a sustainable local economy as well as Iran's economy as a whole.

### **Ecological sustainability**

Ecological sustainability will be addressed through the mainstreaming of biodiversity into policies and frameworks regarding management of the landscape. Integrated management at a landscape level will take into account ecological processes such as water flow through the ecosystem and the ecological cost of all activities and will provide management frameworks accordingly in order to ensure the sustainability of activities. Capacity will be built for biodiversity monitoring so that plans can be revised as and when necessary. As sustainable land management will provide long term incomes for all stakeholders there will be no need for either unsustainable resource use such as the offtake of wood for fuel or land practices such as livestock grazing in forests and increased capacity to enforce relevant regulations will ensure the prohibition of such activities; biodiversity will therefore be protected in key areas and managed appropriately across the rest of the landscape.

A replication strategy has been developed, to codify good practices and ensure they are systematically replicated across the FRWO management system, while also documented for application in other countries (in Western Asia and elsewhere). The following table details a replication strategy by component for this project.

## Replication Strategy by Component

Component	Needs/ Opportunities for Replication	Project Strategy for Replication
<b>COMPONENT 1.</b> An enabling policy and regulatory framework	Apart from protecting productive resources of the rural population for sustainable use, policy should target the diversification of the rural economic environment and strengthen water and land management practices.	The project will involve preparing operational guidelines for the development of management plans for forest ecosystems across the landscape, enabling the replication of plans according to the specific environment. Adjusting policies and frameworks will mean that broader landscapes outside the project area will be covered by the same guidelines. Sharing will be achieved through national and local level dialogues within FRWO, community and distribution of information through printed and spoken media
<b>COMPONENT 2.</b> Institutional and staff capacity strengthening for multiple-use forest management	Considerable gains are expected in terms of incorporating best practices in sustainable forest management in productive lands amongst staff and managers within the FRWO system, filtered through to communities and other stakeholders.	Once lessons in management best practice have been learnt through the pilots, a replication strategy will be developed and implemented in selected replication pilot landscapes. Once a variety of areas have been subjected to the plan, with varying results, this will enable a comprehensive assessment and plan for appropriate replication and adaptation for other landscapes in the future. Sharing will be achieved through national and local level dialogues within FRWO, community and distribution of information through printed and spoken media
<b>COMPONENT 3.</b> Community piloting of integrated forest management	A proven approach top community engagement and collaborative forest management practices will provide opportunity for replication in the landscape and further afield.	By piloting integrated forest management, with defined involvement of communities, lessons will be learned on a small scale, enabling the plan to be revised according to the results and replicated across other parts of the Caspian Hyrcanian landscape and in other parts of Iran and the region. Sharing will involve printed and spoken media and local fora on community approaches.

**B.3. DESCRIBE THE SOCIOECONOMIC BENEFITS TO BE DELIVERED BY THE PROJECT AT THE NATIONAL AND LOCAL LEVELS, INCLUDING CONSIDERATION OF GENDER DIMENSIONS, AND HOW THESE WILL SUPPORT THE ACHIEVEMENT OF GLOBAL ENVIRONMENT BENEFITS (GEF TRUST FUND) OR ADAPTATION BENEFITS (LDCF/SCCF). AS A BACKGROUND INFORMATION, READ [MAINSTREAMING GENDER AT THE GEF](#)."**

Improved management of the Caspian forests is expected to lead to better conservation of soil and water resources. A reduction in soil erosion and enhancement of soil organic matter will improve the productivity of agricultural land. The current productivity of many crops are very low with reported yields (for example in the Yakhesh region of Mazandaran province) of: 1,100 kg/ha for wheat, 1,200 kg/ha for barley, 400 kg/ha for sunflowers and 650 kg/ha for soybeans. Poor productivity may be attributed to the active erosion of slopes where most of the cultivated areas are located and inappropriate cultivation techniques. Forest function mapping efforts will identify important watersheds and activities to preserve / rehabilitate these areas will be included in the landscape management plan. This will ensure the availability of safe drinking water and water for irrigation. In coordination with the baseline project, the pilot implementation of the landscape plan will generate employment for at least 50% of the 50,000 or so people living within the Caspian forests who depend on seasonal employment opportunities for their livelihoods. In addition, the project's attention to increasing the role of communities' in forest management will increase direct benefits from the forest such as through the sustainable harvest of NTFPs such as medicinal plants, betel leaves mushrooms and other products. Indirect project benefits will accrue through the increase in social capital and capacity for collective action amongst communities. The socio-economic benefits will span across all sections of the society including women and marginalized groups. Women are identified as active natural resource users and will be targeted as key beneficiaries. They are the primary resource users and are most likely to be engaged in activities such as fuel wood collection and use, collection of NTFPs etc. The project will expend efforts in carrying out wherever possible gender analysis for the design of project interventions especially under component 3 and shall take steps to ensure that perceptions of both women and men are taken into consideration.

**B.4 INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS THAT MIGHT PREVENT THE PROJECT OBJECTIVES FROM BEING ACHIEVED, AND IF POSSIBLE, PROPOSE MEASURES THAT ADDRESS THESE RISKS TO BE FURTHER DEVELOPED DURING THE PROJECT DESIGN:**

The identification of risks was initiated at a very early stage of project development. The main risks, risk rankings and mitigation measures are presented below.

**Table 1. Risk Analysis**

<b>Risk</b>	<b>Rating</b>	<b>Risk Mitigation Measure</b>
The commitment of FRWO management and staff to the new policies and practices - including increased coordination with other stakeholders - developed under the project may falter over time	Low	There is increasing debate within FRWO of the need to do things differently. Many officials including the Head of the FRWO responsible for the Caspian Hyrcanian forests recognise that the current management approach has weaknesses and have actively championed the new management paradigm proposed herein. Part of this is measured in FRWO's increased willingness to coordinate with communities, the private sector and other government partners in mainstreaming biodiversity conservation in the Caspian landscape. In addition FRWO is already taking steps to help permanent forest dwellers find alternative livelihoods and adopt improved agricultural and livestock husbandry practices. The results of the project demonstration activities will provide inputs to enrich these efforts.
Local communities may not be willing to participate in landscape level multiple use planning process unless the project addresses their	Med	Community representation in discussions and decision-making processes will be ensured and awareness and capacity building programmes will be developed for the communities clearly outlining the benefits to them of joining the management scheme. This risk has also been internalised in the planned interventions of the FRWO (in the Fifth 5 Year Plan)—which specifically respond to expressed community needs following widespread consultations. The

livelihood needs.		PPG has taken the first step in this in eliciting their views on the design of a monitoring and evaluation plan for CF Management Plans.
Climate change impacts, specifically changes in the distribution of biodiversity components.	Low	The project's focus on reducing the pressures on the forests, better coordination and planning to manage competing uses and increasing connectivity and effectiveness of biodiversity set-asides within the forest landscape will contribute towards addressing this risk through enhancing ecosystem resilience. In addition, the project will also ensure that climate change is factored in the design of awareness programmes, planning tools and guidelines and livelihoods improvement strategies.
Forest fires are expected to increase in frequency and intensity as result of climate change.	Low	The multi-use forest management planning in pay adequate attention to identification of forest hazard zones based on which appropriate actions such as fire breaks and other stand management activities will be implemented. These activities will be financed from regular forest management budgets that are earmarked for forest fire management. The information generated by the hazard mapping will also inform situating community forestry pilots – decision on not locating CFM areas in highly vulnerable areas to reduce risks.

\*Risk rating – High (High Risk), Med (Modest Risk), and Low (Low Risk). Risks refer to the possibility that assumptions, defined in the logical framework, may not hold.

### Climate change adaptation implementation action plan.

Needs / Issue	Adaptation Measures	Scope & Management	Responsible
Policy Limitations	Apart from protecting productive resources of the rural population for sustainable use, policy should target the diversification of the rural economic environment and strengthen water and land management practices. A landscape vision is part of this approach.	As part of the overall landscape approach FRWO will work with stakeholders to build a shared understanding of policy requirements.	Landscape level partners, led by FRWO. Lessons learnt collated for and by FRWO, key issues taken forward on a policy level where supported by data and consensus.
Capacity building	Capacity should be in place to manage both protected forest areas and sustainable management in general to supply vital ecosystem services, in particular terrestrial goods and water supply and quality regulation, through the curtailment of habitat loss.	Spatial planning to be incorporated into the landscape coordination planning process in FRWO management systems, lessons learnt provided at a national level.	Landscape level partners, led by FRWO. national feedback, lessons learnt on capacity collated for and by FRWO.
Data Management	Regular data collection needs to be conducted regarding precipitation and temperature, and corresponding processes such as water flow and agricultural productivity in order to assess and monitor the effects of climate change on land use.	Analysis of local data on a pilot and a landscape level through coordination mechanisms, led by FRWO.	Landscape and pilot site level partners, FRWO led; data collated in each pilot and shared in the wider Caspian Hyrcanian landscape.

### B.5. IDENTIFY KEY STAKEHOLDERS INVOLVED IN THE PROJECT INCLUDING THE PRIVATE SECTOR, CIVIL SOCIETY ORGANIZATIONS, LOCAL AND INDIGENOUS COMMUNITIES, AND THEIR RESPECTIVE ROLES, AS APPLICABLE:

Stakeholder	Relevant roles
Forests, Rangelands and Watershed Organization (FRWO)	Government institution mandated with the management and control of forests in the country. FRWO will be the Implementing partner (GEF executing agency) for the project and will lead the overall implementation of the project activities.

Stakeholder	Relevant roles
Department of Environment	With advice from the High Council for Environment, has the oversight over implementation of environmental projects including also the management of the national protected areas. DoE will be involved in the overall multi-use planning and in particular in the implementation of the activities related to the designation of the biodiversity set-asides through the provision of technical support and guidance.
Ministries responsible for Agriculture, Livestock and Tourism	In order to ensure that the development plans of the sector ministries are aligned with those that will be promoted under the project, local representatives of these sector ministries will be engaged to the extent possible in all consultations, planning and design of project interventions that relate to agriculture, livestock and tourism. Information and knowledge products developed by the project that are of relevance to the different sectors will also be shared. During the PPG consultations have been held with a number of these agencies and partnerships sought for the development and implementation of the multiple use management <u>plan</u> . Some sectors such as Horticulture and Livestock will also provide the necessary technical support in the development of relevant alternative livelihood options.
CSOs / CBOs	CSOs and CBOs are important stakeholders. They are most active at the local level but will also be engaged and their views have been included in the design of project activities especially community based interventions while they will form key partners in the implementation of the multiple use management plan and the capacity development activities.
Livestock herders, local communities	Key users and beneficiaries of forests and pasturelands. They are the primary beneficiaries and stakeholders.

## B.6. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:

UNDP has considerable experience in the arena of biodiversity conservation in Iran, as is the case across the Middle East and Asia in general, working with a broad range of partner institutions. UNDP is thus in a good position to ensure inter-project learning within Iran, and with similar initiatives in neighbouring countries. UNDP has experience in supporting the development and implementation of forest governance systems and creation of PAs internationally. Regionally and in Iran UNDP has ongoing and recently completed biodiversity conservation and sustainable land management projects. This initiative forms part of a suite of GEF supported initiatives that aim at biodiversity conservation. The project will collaborate closely with other related initiatives in Iran supported by both GEF and other co-financiers. The GEF has made a sizable investment in biodiversity conservation in Iran.

This project will collaborate closely with, and build on the findings of, other GEF projects in Iran, without repeating the efforts made in those projects.

### *Directly Associated GEF Financed Projects in Iran*

GEF ID	Project Name	Focal Area	Status
<a href="#">1145</a>	Conservation of Iranian Wetlands	Biodiversity	Under Implementation
<a href="#">1322</a>	Conservation of Biodiversity in the Central Zagros Landscape Conservation Zone	Biodiversity	Under Implementation

**Conservation of Iranian Wetlands.** The project goal is to catalyse the sustainability of Iran's system of wetland PAs, thereby enhancing its effectiveness as a tool for conserving globally significant biodiversity. The project commenced in early 2005 and is now in its closing stages in 2012. The project seeks to address the root causes of the damage to Iran's wetlands by applying the CBD's Ecosystem Approach at three levels: local, basin and national. The ecological context

as well as the geography is very different, but there are lessons to be learnt from successful project management learnings.

**Conservation of Biodiversity in Central Zagros.** This ongoing project aims to mainstream biodiversity into five production sectors across the Zagros landscape, including the forest sector. This project will also benefit from the lessons learned in cultivating the participation of local communities in forest management, as well as developing alternative livelihoods.

Also relevant, the **Caspian Environment Programme (CEP- International Waters)** - full title: 'Towards a Convention and Action Programme for the Protection of the Caspian Sea Environment' – has developed the Caspian Biodiversity Action Plan for the Caspian Sea. It ran from 2004 to 2007 and involved Iran as well as the four other neighbouring littoral states. Although an international waters project, there are lessons to be learnt for the proposed project due to the geography as well as the engagement of multiple public and private stakeholders in the region.

Also of note is the **Carbon Sequestration in Desertified Rangelands of Hosseinabad** project that was funded by GEF for seven years from 2003 through UNDP. Although the biophysical and geographical context is very different, lessons are available because it was implemented nationally by FRWO, as the proposed project will be.

UNDP in Iran also has a substantial **Small Grants Programme**. The work of the SGP portfolio in UNDP Iran has contributed to conserving nine endangered animal species, and two vulnerable plant species have been protected. Of note, GEF support through the SGP has been focused on Conservation of Endangered Persian Leopard in GolestanNP, part of the Caspian Hyrcanian landscape, where lessons can be learnt on a small scale.

Of interest as a case study in mainstreaming, in the Asia & Pacific region, the UNDP-GEF Baa Atoll Conservation project in Maldives assisted in mainstreaming biodiversity into the NDP and at least three other plans: Tourism Master Plan, National Adaptation Plan and the third National Environment Action Plan. The project played an important role in banning shark fishing nationally. It surpassed its original plan to establish three PAs within the Baa Atoll by supporting the declaration of six areas that cover over 3,700 ha. The project's work on alternative livelihoods has been implemented with several initiatives on vegetable farming, pearl culture and handicraft production. The project is undertaking several local initiatives to raise awareness of the importance of biodiversity conservation.

## **C. GEF AGENCY INFORMATION:**

### **C.1 CONFIRM THE CO-FINANCING AMOUNT THE GEF AGENCY BRINGS TO THE PROJECT:**

UNDP's comparative advantage lies in its capacity to broker finance from different sources, to assist countries to meet their environmental finance needs. UNDP is leveraging USD 5,275,000 from its core resources and the Government.

### **C.2 HOW DOES THE PROJECT FIT INTO THE GEF AGENCY'S PROGRAM (REFLECTED IN DOCUMENTS SUCH AS UNDAF, CAS, ETC.) AND STAFF CAPACITY IN THE COUNTRY TO FOLLOW UP PROJECT IMPLEMENTATION:**

UNDP is selected as the GEF Implementing Agency by the Government to implement this project. UNDP has accumulated considerable experience over the past 20 years in developing and implementing improved governance systems for biodiversity conservation and forestry management. It also has significant experience in capacity building and in working collaboratively with different government agencies and other stakeholders. UNDP has strong and effective working relationships with all concerned government agencies, as well as with many other stakeholders.

The objective of UNDP's work in ecosystems and biodiversity is to maintain and enhance the beneficial services provided by natural ecosystems. Doing so will secure livelihoods, and the provision of food, water and health. It will reduce vulnerability to climate change, store carbon and avoid emissions from land use change. UNDP's comparative advantage lies in its capacity to broker finance from different sources, to assist countries to meet their environmental finance needs. The 2010-2011 UNDP-supported portfolio of Ecosystems and Biodiversity (EBD) projects contains a total of 157 projects. In terms of mainstreaming biodiversity, a total of 72 SO1 and SO2 projects are targeting a variety of production sectors including forestry and tourism. Biodiversity (BD) projects represent 76.4% of the entire portfolio. The Mainstreaming (SO2) cohort of the Biodiversity portfolio contains 41 projects, which have impacted at least 16 types of production sectors. In terms of the geographical distribution of projects, Asia & the Pacific make up 19.7% of the portfolio.

UNDP's EBD Programme is aligned with the four Key Results of the Strategic Priority on Environment and Sustainable Development, agreed in UNDP's Strategic Plan for 2008–2011. The Strategic Plan includes the strategic priority *Environment and Sustainable Development for the Millennium Development Goals*. These four Key Results are:

- Mainstreaming environment and energy in MDG-based policy and planning frameworks at the national level.
- Generating new environment-based sources of finance to significantly scale-up investment in environment and energy to achieve the MDGs
- Promoting adaptation to climate change in order to lower the risks to the poor in developing countries and enable the attainment of the MDGs.
- Expanding access to environmental and energy services for the poor as a foundation for poverty reduction and economic growth.

In order to achieve these results, UNDP's Environment & Energy Group (EEG) draws on its expertise by implementing projects in six thematic areas, including biodiversity management. UNDP partners with the GEF, national and local governments, NGOs and CBOs to fund and implement projects in these thematic areas. GEF-funded projects and activities are integrated into UNDP's programme of work on environment and energy. The existing UNDP Country Programme seeks to support the attainment of the Millennium Development Goals (MDGs) through the following programme components: Democratic Governance; Poverty Reduction; Environment and Energy; Crisis Prevention & Recovery; HIV/AIDS, TB, Malaria and Gender.

The Energy, Environment and Disaster Management Cluster of the UNDP Iran Country Office (CO) is comprised of one Team Leader with a Masters in Advanced Chemical Engineering and MBA in financial economics and many years of project design and management experience; and a Programme Analyst with a PhD and strong UNDP-GEF project management and oversight experience, as well as a support team of several programme associates, providing a combined



experience of over 40 years)

This project is line with and directly supports the UN Development Assistance Framework (UNDAF) for 2012-2016 in particular Output 1.7: *Environmental assessment frameworks and tools developed/updated and effectively used at policy, plan and project levels*. The UNDP 2012-2016 country programme was prepared with the Government of the Islamic Republic of Iran and derives from the 5th Five-Year National Development Plan, the agreed outcome areas of the UNDAF 2012- 2016 and key priorities of the UNDP Strategic Plan. In terms of environment, it focuses on contributing to national capacities for integrated management, conservation, and sustainable use of ecosystems and biodiversity; and for a representative network of protected areas to be further strengthened. Agency key actions under the CPAP will focus almost exclusively in building national implementing partners' functional capacities and specialised technical skills in key areas.

The project will contribute to meeting the objectives as set out in the Country Programme Document and is consistent with the agreed terms in the UNDP key actions. The strategies to be adopted under the project are consistent with UNDP's mandates in the development arena, and will complement UNDP's work on strengthening governance, in particular improving institutional effectiveness in public institutions.

### **PART III: INSTITUTIONAL COORDINATION AND SUPPORT**

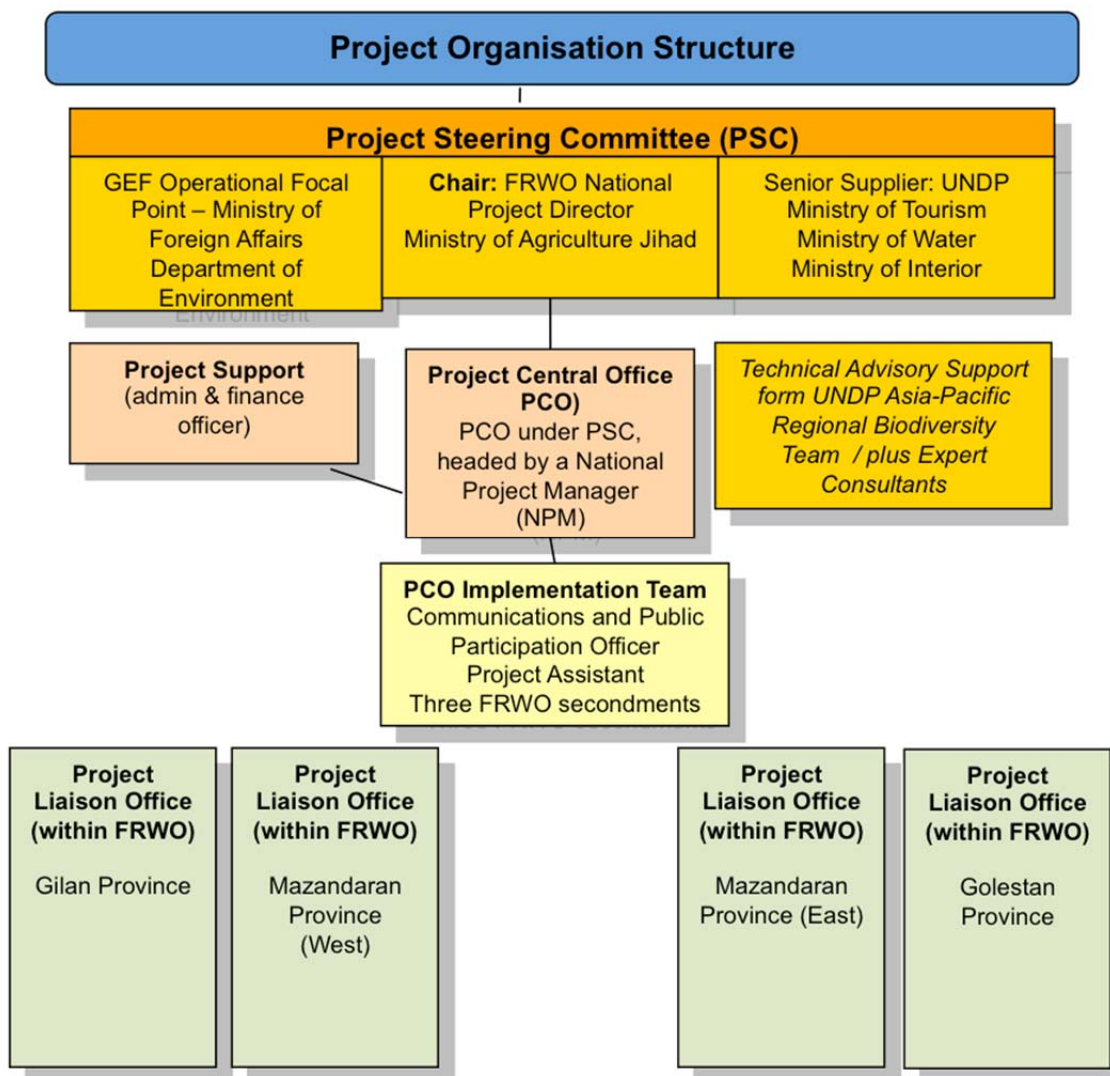
#### **• INSTITUTIONAL ARRANGEMENT:**

The project will be implemented over a period of five years beginning in 2013. The project implementation plan is presented below. An inception period will be used to refine the project design and bring on board fully the relevant stakeholders for implementation. The project will be executed under National Implementation (NIM) modalities where UNDP will act as the provider of the services and facilities that come about through a successful proposal. The project will be funded by GEF through UNDP, which is accountable to GEF for project delivery. UNDP thus has overall responsibility for supervision, project development, guiding project activities through technical backstopping and logistical support. FRWO shall retain overall responsibility for UNDP support and shall be the National Implementing Partner. FRWO will work in close cooperation with the Ministry of Agriculture Jihad (its home ministry), the Ministry of Foreign Affairs, the GEF Focal Point, and the Ministry of Finance. FRWO will also coordinate activities on a local pilot level with through direct engagement with its provisional level offices. The project will thus be executed by FRWO but in close collaboration on an implementation level with other government divisions as well as with civil society and private sector stakeholders and with financial and technical support from UNDP. The Ministry of Agriculture Jihad is ultimately responsible for policy mainstreaming whereas FRWO is ultimately responsible for site activity execution, however site execution by FRWO will be managed in close collaboration with responsible parties, the stakeholder implementation partners (government, communities, civil society and private sector). Within the government, the Ministry of Foreign Affairs will be the GEF Focal point for this project and have a close association to other Ministry and FRWO senior officials in ensuring top-level project oversight.

#### **• PROJECT IMPLEMENTATION ARRANGEMENT:**

##### **Implementation Modality.**

Coordination among the Government ministries and FRWO will be achieved through creation of a **Project Central Office (PCO)**. A **Project Steering Committee (PSC)** and allowing for project assurance and technical advisory support from UNDP, will oversee the PCO. The PSC will allow not only high-level coordination between government agencies, but will also provide a mechanism for open and effective project management.



*Overview of Project Organisation Structure*

Project activities will be implemented at the overall management and the two landscape levels. The PCO will be responsible for overall coordination of project activities, but in particular, it will coordinate national and intra-landscape level activities that are largely linked to policy and systematic and institutional capacities for managing PAs landscapes. The PCO will also be responsible for coordination and mainstreaming of lessons and experiences into government operations, lessons learnt from activities in other related GEF funded projects and linking with additional ongoing related projects. The PCO will be headed by a National Project Manager (NPM) who shall be a fulltime resource acquired competitively. Funds will flow from UNDP to a dedicated project account, managed by FRWO. At the Caspian Hyrcanian landscape level, the NPM will be supported by a project assistant, a finance and administration officer, a communications and public participation officer and three or four FRWO staffers, seconded from FRWO - dedicated to implementing the work of the project via the PCO on the landscape level. The PCO will also engage the support of volunteer researchers if necessary.

### **Project Steering Committee**

The PCO will be guided by the PSC. The PSC will be chaired by an agreed senior FRWO representative, who will also take the role of National Project Director and shall be responsible for supervising project development, guiding project activities through technical backstopping and for contracting staff where necessary. In total one representative of each government agency shall be members (membership to be finalised at inception, but likely to include Ministry of Foreign Affairs, FRWO, DoE, Ministry of the Interior, Ministry of Water and Ministry of Tourism). UNDP will have

one representative present who will advise the PSC in its deliberations and may vote in cases where a majority has not been met. Members shall have been elected during the Inception meeting. The PSC shall report to UNDP and GEF. The PSC members shall meet at least twice in a year prior to PCO meetings. The NPM will be a member of the PSC as an ex-officio observer responsible for taking and distributing minutes. Other PCO staff working under the NPM shall attend meetings of the PSC by invitation and only on a need to basis.

The role of the PSC will be to:

- Provide strategic advice to the PCO for the implementation of project activities to ensure the integration of project activities with poverty alleviation and sustainable development objectives
- Ensure coordination between the project and other ongoing activities in the country
- Ensure interagency coordination
- Ensure full participation of stakeholders in project activities
- Provide technical backstopping to the project
- Assist with organisation of project reviews and contracting consultancies under technical assistance
- Provide guidance to the PCO

### **Project Coordination**

The PCO project management team will be responsible for day-to-day oversight and coordination on implementation of project activities including supervision of activities contracted to consultants by Government. The NPM heading the PCO will report to the Project Steering Committee, on a quarterly basis and maintain a direct liaison with UNDP through the Energy and Environment cluster. The NPM shall be assisted by an Administrator/ Accountant and will be based at FRWO headquarters in Chalus. The NPM will receive reports and feedback from the pilot level, fed through FRWO liaison officers for the four offices (Gilan, Mazandaran West, Mazandaran East and Golestan) within the three provinces. Each liaison officer shall act as a lynch pin to coordinate activities on a pilot level between the partners.

The NPM will link with other GEF project coordinators sharing lessons learnt relevant to mainstreaming activities and also to other government led initiatives such as institutional strengthening activities, policy and preparation of management plans. The NPM will report directly to the PSC on the basis of approved workplan participate directly at the PSC with the agencies reports and workplan approved at the same meeting, and shall work under the guidance of outputs from PAC meetings.

### **Landscape Level Project Implementation**

Overall management of activities in these pilots will be coordinated by the PCO through the NPM and his/her team under the guidance of the PSC. In order to gain maximum efficiency in project implementation, under the guidance and assistance of the NPM in Chalus (with regular site visits required dedicated liaison officers seconded from FRWO will be responsible for the implementation of pilot related activities. Where there are lessons learnt, intra-landscape / intra pilot area crossover issues, or higher-level engagement is required, responsibility will be decreed to the NPM.

### **Project Components.**

The project will comprise three complementary components. Each addresses a different barrier and has distinct outcomes. Overall management of these shall be coordinated by the PCO under the leadership of the Project Steering Committee.

### **Inception Session**

The project will begin with an inception session. The Project Steering Committee, with the support of the NPM will review the project document prior to the meeting and recommend revisions in light of the prevailing situation. This may include updating the log-frame and institutional arrangements. The NPM will present the finalised work plan and first quarterly plan to the Steering Committee, copied to the PSC. All key stakeholders will participate and the workshop will offer an opportunity to ensure coordination between all the players and establish a common ground of understanding necessary to ensure the smooth running of project implementation. A fundamental objective of the Inception Session (IS) will be to assist the project team to understand and take ownership of the project's goals and objectives, as well as finalise preparation of the project's first annual workplan on the basis of the project's logframe matrix. This will include reviewing the logframe (indicators, means of verification, assumptions), imparting additional detail as needed, and on the basis of this exercise finalise the Annual Work Plan (AWP) with precise and measurable performance indicators, and in a manner consistent with the expected outcomes for the project. Additionally, the purpose and objective of the IS will be to: (i) introduce project staff with the UNDP-GEF expanded team which will

support the project during its implementation, namely the CO and responsible Regional Coordinating Unit staff; (ii) detail the roles, support services and complementary responsibilities of UNDP-CO and the project team; (iii) provide a detailed overview of UNDP-GEF reporting and M&E requirements, with particular emphasis on the Annual Project Implementation Reports (PIRs) and related documentation, the Annual Project Report (APR), Tripartite Reviews, as well as mid-term and final evaluations. Equally, the IS will provide an opportunity to inform the project team on UNDP project related budgetary planning, budget reviews, and mandatory budget re-phrasings.

The IS 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, and broadened, as needed, in order to clarify each party's responsibilities during the project's implementation phase.

### **Technical Assistance**

Short-term national as well as international technical assistance will be provided by the Project, on a consultancy basis, in order to overcome barriers and achieve the project outputs/outcomes. Technical assistance will be directly contracted by the PSC, through a transparent procurement process (i.e. the development of Terms of References and recruitment) following UNDP regulations and will directly assist the implementing entities and report to the Project Steering Committee. Many of the project components are innovative and need some level of consultancy input. These include issues such as: Landscape planning, PA Economics, Business Plans, Institutional Capacity Building, gap analysis and climate change adaptation strategies, etc. Where needed these local consultancy inputs have been identified and budgeted.

### **Funds flow**

Project funds will pass from GEF to UNDP and thereafter to FRWO, which in turn may commission funds to consultant bodies, civil society specialists or other government agencies, according to the specific tasks agreed upon and based upon standard UNDP bidding, recruitment, transparency and auditing requirements and regulations, against specific outputs.

### **Public involvement Plan**

At the national level the project will engage with governments, the private sector, communities, donors, NGOs and experts over meeting the project objective according to its strategy. The project will also seek to inform all stakeholders of the values of landscape level activities, the problems that they are facing, why they need to support project outcomes and how this should go about in an equitable and efficient manner.

### **Reporting**

As head of the PCO, under the Steering Committee, the NPM will be responsible for the preparation of reports for the Steering Committee, PSC and UNDP on a regular basis, including the following: (i) Project Inception Report (PIR); (ii) APR; (iii) Project Implementation Report; (iv) Quarterly Progress Reports; and (v) Project Terminal Report. The Quarterly progress reports will provide a basis for managing project disbursements. These reports will include a brief summary of the status of activities, explaining variances from the work plan, and presenting work-plans for each successive quarter for review and endorsement. The APR will be prepared annually, and will entail a more detailed assessment of progress in implementation, using the set indicators. It will further evaluate the causes of successes and failures, and present a clear action plan for addressing problem areas for immediate implementation.

*Annual Monitoring* will occur through the *Tripartite Review (TPR)*. The TPR will be composed of Government representatives, UNDP and the Project. This will serve as the highest policy-level meeting of the parties directly involved in the implementation of the project. The project will be subject to TPR at least once every year. The first such meeting will be held within the first twelve months of implementation. The APR will be prepared and submitted to UNDP-CO and the UNDP-GEF Regional Office at least two weeks prior to the TPR for review and comments. The project will be subjected to at least two independent external evaluations:

- **Mid-term Evaluation** - will be undertaken at the end of the second year of implementation. The Mid-Term Evaluation will determine progress being made towards the achievement of outcomes and will identify course correction if needed;
- **Final Technical Evaluation** - will take place three months prior to the terminal TPR meeting, and will focus on the same issues as the mid-term evaluation. The final evaluation will also look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals.

The PCO will, utilising input from the NPM, provide the country UNDP Resident Representative with certified periodic financial statements, and with an annual audit of the financial statements relating to the status of funds according to the established procedures set out in the Programming and Finance manuals. The Audit will be conducted by the legally recognised auditor of the Government, or by a commercial auditor engaged openly by the PCO.

FRWO will provide the country UNDP Resident Representative with certified periodic financial statements, with an annual audit of the financial statements relating to the status of funds according to the established procedures set out in the Programming and Finance Manuals. The Audit will be conducted by the legally recognised auditor of the Government, or by a commercial auditor engaged by the Government.

## Legal Context

This Project Document shall be the instrument referred to as such in Article I of the Standard Basic Assistance Agreement (SBAA) between the Government of the Islamic Republic of Iran and the UNDP. The host country implementing agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government co-operating agency described in that Agreement. UNDP acts in this Project as Implementing Agency of GEF, and all rights and privileges pertaining to UNDP as per the terms of the SBAA shall be extended mutatis mutandis to GEF. The UNDP Resident Representative in Iran is authorised to effect in writing the following types of revision to this Project Document, provided that s/he has verified the agreement thereto by the UNDP-GEF Unit and is assured that the other signatories to the Project Document have no objection to the proposed changes: *Revision of, or addition to, any of the annexes to the Project Document; Revisions which do not involve significant changes in the immediate objectives, outcomes or activities of the project, but are caused by the rearrangement of the inputs already agreed to or by cost increases due to inflation; Mandatory annual revisions which re-phase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility; and Inclusion of additional annexes and attachments only as set out here in this Project Document.*

## Audit Requirement

The Project Steering Committee will provide UNDP with certified periodic financial statements, with an annual audit of the financial statements relating to the status of project funds according to the established procedures set out in the UNDP Programming and Finance manuals.

## **PART IV: EXPLAIN THE ALIGNMENT OF PROJECT DESIGN WITH THE ORIGINAL PIF**

The project design is largely fully aligned with that of the original PIF. The primary three components and outcomes are the same; the corresponding outputs remain nearly the same with some minor re-wording of some outputs and outcomes. The rewording has largely been for clarification. However, where change is more apparent is in the different use of language to reflect the protected area status – the language of ‘biodiversity set asides’ is used to reflect the form of protected status (not formal protected areas) that FRWO utilizes and to better reflect the BD-2 outcomes of the project, where the language had been unclear - separating it from BD-1 outcomes, which are not part of the project.


## **PART V: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)**

- A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT(S) ON BEHALF OF THE GOVERNMENT(S): ):**  
(Please attach the [Operational Focal Point endorsement letter\(s\)](#) with this template. For SGP, use this [OFP endorsement letter](#)).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Mamoud Barimani	Director General for International Affairs and Specialised Agencies / GEF OFP	Ministry of Foreign Affairs	

**B. GEF AGENCY(IES) CERTIFICATION**

This request has been prepared in accordance with GEF/LDCF/SCCF policies and procedures and meets the GEF/LDCF/SCCF criteria for CEO endorsement/approval of project.

<b>Agency Coordinator, Agency Name</b>	<b>Signature</b>	<b>Date (Month, day, year)</b>	<b>Project Contact Person</b>	<b>Telephone</b>	<b>Email Address</b>
Yannick Glemarec, UNDP/GEF Executive Coordinator		November 26, 2012	Doley Tshering RTA, EBD	+ 66 2288 2600	doley.tshering@undp.org

## ANNEX A: PROJECT RESULTS FRAMEWORK

<p><b>This project will contribute to achieving the following Country Programme Outcome as defined in the CPD for Iran:</b> UNDAF/Country programme Outcome 1. Environmental considerations integrated into development decision-making; 2. Iran contributes to implementation of Multilateral Environment Agreements and internationally agreed targets; UNDAF/Country programme Outcome 4: National, subnational and local capacities enhanced to ensure 1) integrated management, conservation and sustainable use of ecosystems, natural resources and biodiversity; 2. mainstreaming environmental economics into national planning and audits; 3) effective use of knowledge and tools in prevention, control and response to current and emerging environmental pollution; 4) formulation and implementation of climate change mitigation and adaptation plans and projects.</p>					
<p><b>Country Programme Outcome Indicators:</b> Indicator 4.1. Number of localized (tailored to national context) frameworks and mechanisms that integrate sustainable environmental management □ Baseline: The 5th NDP provides the legal basis for integration of principles of sustainable development. Target: By 2016, national frameworks for sustainable management of wetlands, mountain ecosystems, dryland and Caspian forests, and biodiversity conservation are in place and piloted. □ Indicator 4.2: Frameworks for improved PCB and HCFC Management in place and implementation started (Yes/No) . Baseline: Inadequate frameworks conducive to national development priorities. □ Target: Frameworks introduced by 2016 Indicator 4.3. Localized frameworks, mechanisms and models (tested and piloted according to national context) on climate change mitigation and adaptation are developed (Yes/No). Baseline: Second National Communication in place. □ Target: By 2016, Third National Communication and Residential Energy Efficiency Frameworks in place.</p>					
<p><b>Applicable GEF Strategic Objective and Program: BD-2: Mainstream Biodiversity Conservation and Sustainable Use into Production Landscapes/ Seascapes and Sectors</b></p>					
<p><b>Applicable GEF Expected Outcomes:</b> Outcome 2.1: Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation</p>					
<p><b>Applicable GEF Outcome Indicators:</b> Policies and regulatory frameworks (number) for production sectors.</p>					

Project Strategy	Indicator	Baseline	Targets <sup>10</sup>	Means of verification	Assumptions
<p>The <b>long-term goal</b> to which the project will contribute is “an effective multiple use forest governance system is in operation resulting in enhanced biodiversity and maintained landscape level ecosystem functions, integrity and resilience for the Caspian Hyrcanian Forests of Iran”.</p>					
<p><b>Objective:</b> To put in place a collaborative governance system and know-how for managing a mosaic of land uses in the Caspian Hyrcanian forest that provides habitat integrity and helps maintain landscape level ecosystem functions and resilience.</p>	Landscape area in the Caspian Hyrcanian forests where forestry and other production activities mainstream biodiversity conservation	0 ha	Policy and regulatory frameworks for managing multiple use forest landscapes across~ 800,000 ha of forests	Project Reports; Independent mid-term and final evaluations	The interest and commitment of FRWO management and staff to the new policies and practices developed under the project remain sufficiently high and long-lasting to have the transformational impact.
	Area of biodiversity set-asides created governed by clear specific management guidelines	Some areas (~ 10%) are under biodiversity set-asides but without any systematic management regime for biodiversity conservation	At least 100,000 ha of new biodiversity set asides under FRWO management defined (with management guidelines)	Project reports; Independent mid-term and final evaluations	Cooperation of other production sectors such as Livestock, Tourism and Agriculture located in the Caspian forests landscape are forthcoming and fully supportive of the project’s objective and approach

<sup>10</sup> The final time period for realizing project targets is project end (2018), unless otherwise specified.



Project Strategy	Indicator	Baseline	Targets <sup>10</sup>	Means of verification	Assumptions
	Improvement in Total <u>Capacity Development Scorecard</u> (Annex V)	10	26 at the mid-term evaluation course 42 at the final evaluation course	Mid-term and Final Evaluation	
	Extent and quality of forest cover	Incidents of illicit felling involving creaming of commercially important species; Clearance of forest areas for agriculture leading to 0.5% loss of forests	No net loss of forest cover and improved quality with reduced loss of high grade species	Monitoring reports GIS-RS data BD Tracking Tools	
<b>Component 1:</b> An enabling policy and regulatory framework for multiple use forest management is developed	National policy and regulatory framework is adjusted to meet BD mainstreaming requirements and is updated within operational procedures	FRWO and other FMPs are not coordinated and lack inclusion of biodiversity conservation practices	At least 2 FMPs reviewed;  1 FRWO regulation on multiple use planning issued	Government Orders or notifications, meeting records	FRWO and key sector agencies will support and act upon BD mainstreaming approaches including adoption of appropriate policies and regulations  Stakeholder institutions are willing to share information that is required for mainstreaming biodiversity conservation into sector strategies and plans
	Caspian sustainable land use plan defines a clear direction for the Caspian Hyrcanian Forests and supports mainstreaming biodiversity conservation	Land use plans exist at the basin/catchment levels under FRWO management and similar plans exist for DoE management of PAs. However, a coordinated plan for production sectors does not exist	Sustainable land use plan for Caspian Hyrcanian forest, that a) define biodiversity rich areas to be gazetted as new PAs and b) lay out appropriate land-uses and management practices to be prescribed in the adjacent production landscape	Approved Sustainable use plan document	Caspian Hyrcanian Forest stakeholders will embrace and take ownership of a multiple use approach to sustainable forest management  Support will be provided by FRWO and other land managers towards stronger degrees of coordination in multiple use management that promotes mainstreaming biodiversity conservation
	Operational guidelines are being utilised to manage multiple land uses in forest landscapes, including improved forestry, small holder agriculture	Forestry, tourism and agriculture sectors lack a coordinated approach to management	At least 3 improved operational guidelines for: i) improved forestry; ii) sustainable small holder agriculture; iii) improved livestock practices and iv)	Approved operational guidelines documents  Project reports	There is interest and will to incorporate ecological values into the economics assessment of the of key production sectors and modify plans/strategies accordingly



Project Strategy	Indicator	Baseline	Targets <sup>10</sup>	Means of verification	Assumptions
	and livestock practices		sustainable tourism		
	Extent of integration of ecosystem values into production sector strategies and plans	Ecosystem goods and services are utilised by production sectors, however their true ecological value is not understood or incorporated into the economics of key production sectors	Systematic analysis of values of forests and externalities of deforestation and forest degradation incorporated into sector decisions and finance options identified to offset opportunity costs.	Review if sectoral plans of forestry, livestock and mining sectors	
<b>Component 2:</b> Enhanced institutional and staff capacity for implementing a multiple use forest management plan	Number of training materials and best practices prepared and incorporated into FRWO management planning and induction courses	0	At least 3	FRWO management guidelines Induction course curriculum	Institutions are unwilling to commit the expected number of personnel for training and capacity building  Trained staff may not continue in current roles
	Improvement in Institutional and Individual Level Indicators of <u>Capacity Development Scorecard</u>	INSTITUTIONAL	B/L	Tgt.	Mid-term and Final Evaluation
		1. Capacity to conceptualize and formulate policies, legislations, strategies and programme	3	MT: 5 F: 8	
		2. Capacity to implement policies, legislation, strategies and programmes	2	MT: 4 F: 6	
		3. Capacity to engage and build consensus among all stakeholders	1	MT: 5 F: 8	
		5. Capacity to monitor, evaluate and report and learn at the sector and project levels	0	MT: 2 F: 4	
		INDIVIDUAL			
					Sector representatives are committed to implementing the sectoral plans that form part of the landscape level Sustainable Land Use Plan for the Caspian Forests

Project Strategy	Indicator	Baseline	Targets <sup>10</sup>		Means of verification	Assumptions
		2. Capacity to implement policies, legislation, strategies and programmes	0	MT: 2 F: 4		
		4. Capacity to mobilize information and knowledge: Technical skills related specifically to the requirements of GEF SO-2 and SP-4	4	MT: 8 F: 12		
	Number of FRWO and other sector staff trained and able to apply multiple-use forest management approaches	0	FRWO: 100 Agriculture: 50 Mining: 20 Tourism: 50 Animal Husbandry: 50		Training records; training evaluations	
	Extend of implementation of the Landscape level sustainable land use plan and lessons generated		At least 50% of identified actions implemented  A compendium of lessons learnt developed		Project reports Mid-term and terminal evaluation reports Lessons learnt reports	
	Use of a functional and effective monitoring mechanism for community based illicit felling and land clearing	Community based forests require support for monitoring	Effective monitoring systems in place to control harvesting forest resources		Project reports Mid-term and terminal evaluations	
	Replication strategy that provide a clear intellectual means to expand the work of the project into the wider Caspian Hyrcanian forest landscape	NA	Replication plan for 5 pilot landscapes initiated with secured resources from central and provincial government by the end of the project.		Replication strategy Project terminal report Terminal Evaluation report	

Project Strategy	Indicator	Baseline	Targets <sup>10</sup>	Means of verification	Assumptions
<b>Component 3:</b> Community based integrated forest management piloted	Number of activities included in the alternative livelihood development strategy that are implemented and percentage increase in income of community groups	0  Income baseline of community groups will be established during the first year	At least 4 different types of alternative livelihood activities such as beekeeping, NTFP enterprise, rural handicrafts, aquaculture, dairy product marketing etc. [to be further selected from the PPG shortlist during IW]  At least 15-20 % increase in income of targeted community groups	Project administrative records Mid-term and terminal evaluations	Local communities are willing to participate in the conservation and protection of forests (the project addresses their livelihood needs and allays fears of loss of land for agriculture)  The opportunities for economic activities would stimulate the poor natural resource dependent marginal communities to organize and perform better.
	Number of community based forest management plans developed and implemented	0	2	Project reports CBFmanagement plan Mid-term and terminal evaluation reports	
	Number of people shifting to alternative livelihood options that reduce pressure on biodiversity	Baseline to be collected in Year 1	Target to be defined at the IW and after design of the SLUP and individual sector plans	Project administrative reports and records Monitoring reports Mid-term and terminal evaluation reports	
	The rate of forest clearance under CFM as compared against non-CFM areas	Baseline to be measured for both CFM and non-CFM in the first year	Forest degradation due to agriculture, illegal cutting and livestock grazing in community pilots decreased by at least 50% in total pilot area and less than non-CFM area	Monitoring and surveillance reports	

#### OUTPUT – ACTIVITY DETAIL TO ACHIEVE OUTCOMES

Output	Indicative Activities (carried out on a national and/or pilot level as appropriate)
<b>Component 1: An enabling policy and regulatory framework</b>	

Output	Indicative Activities (carried out on a national and/or pilot level as appropriate)
1.1. National regulations and policies (inventory, function mapping and zoning, carrying capacity and utilisation plans etc.) for planning and management for Caspian Hyrcanian forest landscapes based on biodiversity mainstreaming needs reviewed and adopted	1.1.1. Conduct a gap analysis of national policy and regulatory framework for mainstreaming of BD conservation into land-use planning in Caspian Hyrcanian forests and management of forest ecosystems 1.1.2. Adjust and put in practice the national policy and regulatory framework to meet BD mainstreaming needs
1.2. National and local operational guidelines in place to manage multiple land uses in forest landscapes including improved forestry, small holder agriculture and livestock practices	1.2.1. Prepare operational guidelines for development of multiple land-use management plans for forest ecosystems of Caspian Hyrcanian 1.2.2. Share the guidelines with stakeholders for comments and finalisation
1.3. Sustainable land use plan for Caspian Hyrcanian forest, based on in depth biodiversity information, and management options analyses, that a) define biodiversity rich areas to be classified as biodiversity set-asides and secure financial resources for their management and b) lay out appropriate land-uses and management practices to be prescribed in the adjacent production landscape	1.3.1. Investigative study of known biodiversity rich areas for the Caspian Hyrcanian forests 1.3.2. Feasibility study of management options carried out for the Caspian Hyrcanian forests 1.3.3. Financial and business planning carried out for Caspian Hyrcanian forests 1.3.4. Assessment of appropriate land-uses and management practices in the landscape 1.3.5. Develop sustainable land use plan 1.3.6. Approve, implement and monitor sustainable land-use plan
1.4. Systematic analysis of values of forests and externalities of deforestation and forest degradation incorporated into sector decisions and finance options identified to offset opportunity costs.	1.4.1. Determine economic values of Caspian Hyrcanian forests' goods and services 1.4.2. Determine costs of ecosystem degradation in different land-uses of Caspian Hyrcanian Area 1.4.3. Advocate values of forest ecosystems and incorporate values into planning and high level legislation mechanisms
<b>Component 2: Institutional and staff capacity strengthening for multiple-use forest management</b>	
2.1. Central and district staff of FRWO and other key stakeholders trained and able to apply / oversee multiple-use landscape level forest management	2.1.1. Conduct training/capacity needs assessment for FRWO other key stakeholders 2.1.2. Develop training/capacity development plan 2.1.3. Implement and monitor training/capacity development plan 2.1.4. Exchange technical knowledge with specialised national and international entities
2.2. Training materials and best practices incorporated into FRWO staff induction courses	2.2.1. Training materials are incorporated into FRWO management guidelines and plans 2.2.2. Induction courses set up and in place
2.3. Effective monitoring and enforcement systems in place to control harvesting forest resources	2.3.1. Assess effectiveness of existing monitoring and enforcement mechanisms and gap analysis 2.3.2. Develop a plan to increase effectiveness of existing monitoring and enforcement mechanisms and establishment of new systems 2.3.3. Implement the plan
2.4. Best practices manual and guidelines for multiple-use forest landscape management prepared, tested and revised	2.4.1. Investigate in detail socio-economic barriers of multiple-use forest management in the Caspian Hyrcanian forest landscape 2.4.2. Investigate indigenous knowledge of forest dwellers for multiple-use forest management 2.4.3. Deploy international know-how and best practices of multiple-use forest management 2.4.4. Develop best practices manual and guidelines for multiple-use forest management
2.5. Sustainable land-use plan implemented in a pilot landscape to	2.5.1. Select pilot landscape for piloting sustainable land-use planning and management

<b>Output</b>	<b>Indicative Activities (carried out on a national and/or pilot level as appropriate)</b>
provide 'learning by doing' and input to fine tune general the Caspian Hyrcanian forest landscape	2.5.2. Develop sustainable land-use plan in a participatory manner
	2.5.3. Implement and monitor sustainable land-use plan
2.6. Replication plan for at 5 other pilot landscapes initiated with secured resources from central and provincial government by the end of the project.	2.6.1. Develop pilot replication strategy
	2.6.2. Select replication pilot landscapes
	2.6.3. Implement replication strategy in pilot landscapes
<b>Component 3: Community piloting of integrated forest management</b>	
3.1 Alternative livelihood development plan implemented that includes agri-livestock based activities (independent to forest ecosystems) and also a NTFP enterprises development and value addition strategy	3.1.1. Review and revise sustainable alternative livelihoods strategy developed during PPG
	3.1.2. Develop detailed sustainable alternative livelihoods plan for each pilot landscape including NTFP enterprise development strategy
	3.1.3. Implement sustainable alternative livelihoods plan and monitor
3.2 At least 2 community-based FMPs developed and implemented that include prescriptions for sustainable\ sustainable use of forest resources, resource sharing mechanisms, responsibilities of the local communities in the implementation of the plan.	3.2.1. Assess capacity development needs for communities, NGOs and CBOs engaged in multiple-use forest management
	3.2.2. Conduct capacity development exercises followed by participatory management planning for 2 pilot forest landscapes
	3.2.3. Develop FMPs for 2 pilot forest landscapes
	3.2.4. Implement and monitor management plans in a participatory manner
<b>Project Management: Ensures effective project administration, M&amp;E, and coordination have enabled timely and efficient implementation of project activities.</b>	
Effective project administration, M&E, and coordination have enabled timely and efficient implementation of project activities.	- Establish project office(s)
	- Recruit skilled HR for efficient management and coordination of project components
	- Establish project monitoring mechanism

### Annex A1: Budget & Notes for Work plan

Award ID:	To be filled	
Project Id	To be filled	
Award Title:	Iran: Building a multiple-use forest management framework to conserve biodiversity in the Caspian Hyrcanian Forest Landscape	
Business Unit:	IRAN10	
Project ID:	PIMS 4078	GEF 4470
Project Title:	Building a multiple-use forest management framework to conserve biodiversity in the Caspian Hyrcanian Forest Landscape	
Executing Agency:	Forests, Rangeland and Watershed Organisation (FRWO)	

GEF Component/Atlas Activity	ResParty (IA)	SoF	Atlas Budget Account Code	Input/ Descriptions	Amount (USD) Year 1 (2013-14)	Amount (USD) Year 2 (2014 - 15)	Amount (USD) Year 3 (2015-16)	Amount (USD) Year 4 (2016-17)	Amount (USD) Year 5 (2017-18)	Total (USD)	Budget Notes
<b>COMPONENT 1. An enabling policy and regulatory framework</b>											
	FRWO	GEF	71200	International Consultants	14,000	15,000	15,000	15,000	12,000	71,000	1
	FRWO	GEF	71300	Local Consultants	34,000	41,000	4,2000	40,500	33,000	190,500	2
	FRWO	GEF	72100	Contractual Services - Companies	12,000	12,000	12,000	12,000	12,000	60,000	3
	FRWO	GEF	71400	Service Contracts – Individuals	15,000	20,000	20,000	15,000	11,500	81,500	4
	FRWO	GEF	75700	Training, Workshops and Confer	15,000	24,000	23,000	20,000	20,000	102,000	5
	FRWO	GEF	74210	Printing and Publications	5,000	5,500	5,000	5,000	5,000	25,500	6
	FRWO	GEF	71600	Travel	7,000	8,000	8,000	8,000	8,000	39,000	7
				Total Component 1	102,000	125,500	125,000	115,500	101,500	569,500	

GEF Component/Atlas Activity	ResParty (IA)	SoF	Atlas Budget Account Code	Input/ Descriptions	Amount (USD) Year 1 (2013-14)	Amount (USD) Year 2 (2014 - 15)	Amount (USD) Year 3 (2015-16)	Amount (USD) Year 4 (2016-17)	Amount (USD) Year 5 (2017-18)	Total (USD)	Budget Notes
				(GEF)							
COMPONENT 2. Institutional and staff capacity strengthening for multiple-use forest management											
	FRWO	GEF	71200	International Consultants	9,000	10,000	9,000	8,000	8,000	44,000	8
	FRWO	GEF	71300	Local Consultants	18,000	19,500	19,500	20,000	19,000	96,000	9
	FRWO	GEF	72100	Contractual Services - Companies	20,000	20,000	20,000	20,000	20,000	100,000	10
	FRWO	GEF	71400	Service Contracts – Individuals	12,500	13,000	14,000	13,000	12,000	64,500	11
	FRWO	GEF	75700	Training, Workshops and Confer	18,000	20,000	20,000	19,000	17,000	94,000	12
	FRWO	GEF	74210	Printing and Publications	8,000	9,000	10,000	9,000	9,000	45,000	13
	FRWO	GEF	71600	Travel	13,500	14,000	15,000	13,500	13,500	69,500	14
				Total Component 2 (GEF)	99,000	105,500	107,,500	102,500	98,500	513,000	
COMPONENT 3.Community piloting of integrated forest management											
	FRWO	GEF	71200	International Consultants	10,000	10,000	10,000	10,000	10,000	50,000	15
	FRWO	GEF	71300	Local Consultants	16,500	17,000	16,500	16,500	16,500	83,000	16
	FRWO	GEF	72100	Contractual Services - Companies	50,000	58,000	55,000	50,000	50,000	263,000	17
	FRWO	GEF	71400	Service Contracts – Individuals	16,000	18,000	18,000	17,000	15,000	84,000	18

GEF Component/Atlas Activity	ResParty (IA)	SoF	Atlas Budget Account Code	Input/ Descriptions	Amount (USD) Year 1 (2013-14)	Amount (USD) Year 2 (2014 - 15)	Amount (USD) Year 3 (2015-16)	Amount (USD) Year 4 (2016-17)	Amount (USD) Year 5 (2017-18)	Total (USD)	Budget Notes
	FRWO	GEF	75700	Training, Workshops and Confer	14,000	15,000	14,500	14,500	14,000	72,000	19
	FRWO	GEF	74210	Printing and Publications	8,500	9,000	9,000	8,500	8,500	43,500	20
	FRWO	GEF	71600	Travel	6,000	7,000	7,000	6,000	6,000	32,000	21
				Total Component 3 (GEF)	121,000	134,000	130,000	122,500	120,000	627,500	
Project Management											
		GEF	71200	International Consultants	0	0	5,000	0	5,000	10,000	22
		GEF	71300	Local Consultants	19,000	19,000	44,000	19,000	44,000	145,000	23
		GEF	72100	Contractual Services - Companies	3,000	3,000	3,000	3,000	3,000	15,000	24
		GEF	71600	Travel	2,000	2,000	2,000	2,000	2,000	10,000	25
		GEF	72210	Machinery and Equipment	3,000	2,000	3,000	1,000	1,000	10,000	26
				Total Project Management (GEF)	27,000	26,000	57,000	25,000	55,000	190,000	
				PROJECT TOTAL	349,000	391,000	419,500	365,500	375,000	1,900,000	



## Budget Notes

### General Cost Factors:

Local consultants (LC) are budgeted at USD \$1,500 per week. International consultants (IC) are budgeted at USD \$3,000 per week. This is based on UNDP Iran standard rates.

No.	Budget Notes
	<b>COMPONENT 1. An enabling policy and regulatory framework</b>
1	Technical support required from International Consultants – providing methodological and strategic insight, as well as support in quality control to local consultants - to carry out (a) a gap analysis of national policy and regulatory framework for mainstreaming of BD conservation into land-use planning in Caspian Hyrcanian forests and management of forest ecosystems (\$10,000); (b) updating national policy and regulatory framework to meet BD mainstreaming needs (\$2,000), (c) preparing operational guidelines for development of multiple land-use management plans for forest ecosystems of Caspian Hyrcanian (\$3,000), (d) an investigative study of known biodiversity rich areas for the Caspian Hyrcanian forests (\$10,000) (e) feasibility study of management options carried out for the Caspian Hyrcanian forests (\$5,000); (f) financial and business planning for Caspian Hyrcanian forests (\$10,000) (g) assessment of appropriate land-uses and management practices in the landscape (\$10,000) (h) development of a sustainable land-use plan (\$5,000); (i) determine economic values of Caspian Hyrcanian forests' goods and services (\$6,000);(j) determine costs of ecosystem degradation in different land-uses of Caspian Hyrcanian area (\$10,000).
2	Substantial technical inputs required from Local Consultants - carrying out the bulk of assignments but provided with technical support from international consultants as appropriate - to carry out (a) a gap analysis of national policy and regulatory framework for mainstreaming of BD conservation into land-use planning in Caspian Hyrcanian forests and management of forest ecosystems (\$20,000); (b) updating national policy and regulatory framework to meet BD mainstreaming needs (\$5,000), (c) preparing and sharing operational guidelines for development of multiple land-use management plans for forest ecosystems of Caspian Hyrcanian (\$22,000), (d) an investigative study of known biodiversity rich areas for the Caspian Hyrcanian forests (\$30,000) (e) feasibility study of management options carried out for the Caspian Hyrcanian forests (\$10,000); (f) financial and business planning for Caspian Hyrcanian forests (\$30,000) (g) assessment of appropriate land-uses and management practices in the landscape (\$30,000) (h) Approve, implement and monitor sustainable land-use plan (\$20,000); (i) determine economic values of Caspian Hyrcanian forests' goods and services (\$10,000);(j) determine costs of ecosystem degradation in different land-uses of Caspian Hyrcanian area (\$5,000); (k) Advocate values of forest ecosystems and incorporate values into planning and high level legislation mechanisms (\$5,000).Also includes costs for the National Project Manager, under local consultant contract, to provide technical inputs to (a) share multiple use operational guidelines with stakeholders for comments and finalisation (\$1,500) and to support a Feasibility study of management options carried out for the Caspian Hyrcanian forests (\$2,000).

No.	Budget Notes
3	Contractual Services from Specialist Companies required to carry out (a) Adjust and put in practice the national policy and regulatory framework to meet BD mainstreaming needs (\$10,000); (b) investigative study of known biodiversity rich areas for the Caspian Hyrcanian forests ((\$10,000); (c) feasibility study of management options carried out for the Caspian Hyrcanian forests (\$10,000) and (e) to develop sustainable land use plan (\$30,000).
4	Individual hires required for technical support roles, assisting the NPM in working with consultants to implement the following: conduct a gap analysis of national policy and regulatory framework for mainstreaming of BD conservation into land-use planning in Caspian Hyrcanian forests and management of forest ecosystems (\$2,000); adjust and put in practice the national policy and regulatory framework to meet BD mainstreaming needs (\$15,000); prepare operational guidelines for development of multiple land-use management plans for forest ecosystems of Caspian Hyrcanian (\$5,000); share the guidelines with stakeholders for comments and finalisation (\$1,500); investigative study of known biodiversity rich areas for the Caspian Hyrcanian forests (\$5,000); financial and business planning carried out for Caspian Hyrcanian forests (\$5,000); assessment of appropriate land-uses and management practices in the landscape (\$5,000); develop sustainable land use plan (\$10,000); approve, implement and monitor sustainable land-use plan (\$10,000); determine economic values of Caspian Hyrcanian forests' goods and services (\$10,000); determine costs of ecosystem degradation in different land-uses of Caspian Hyrcanian Area (\$5,000); advocate values of forest ecosystems and incorporate values into planning and high level legislation mechanisms (\$3,000).
5	Trainings will be utilised to ensure preparation and awareness activities are carried out to achieve the following project outputs: 1.1. National regulations and policies (inventory, function mapping and zoning, carrying capacity and utilisation plans etc.) for planning and management for Caspian Hyrcanian forest landscapes based on biodiversity mainstreaming needs reviewed and adopted (\$25,000); 1.2. National and local operational guidelines in place to manage multiple land uses in forest landscapes including improved forestry, small holder agriculture and livestock practices (\$17,000); 1.3. Sustainable land use plan for Caspian Hyrcanian forest, based on in depth biodiversity information, and management options analyses, that a) define biodiversity rich areas to be classified as biodiversity set-asides and secure financial resources for their management and b) lay out appropriate land-uses and management practices to be prescribed in the adjacent production landscape (\$35,000), and; 1.4. Systematic analysis of values of forests and externalities of deforestation and forest degradation incorporated into sector decisions and finance options identified to offset opportunity costs (\$25,000).
6	Funds will be required to ensure adequate stakeholder awareness of project activities therefore once complete these will be printed and disseminated to all key stakeholders in project pilots, the Caspian Hyrcanian landscape, nationally and internationally as appropriate (\$25,500).
7	Funds will be required for travel for consultants, contractors and project staff to reach landscape sites whether for research, activity implementation or stakeholder meetings as well as to national level meetings. Stakeholders will be required to attend national and / or landscape level meetings and seminars as appropriate to the particular output and activity (\$39,000).
	COMPONENT 2. Institutional and staff capacity strengthening for multiple-use forest management

No.	Budget Notes
8	<p>Specialist technical support will be required by International Consultants Consultants – providing methodological and strategic insight, as well as support in quality control to local consultants - to implement the following activities: (a) conduct training/capacity needs assessment for FRWO other key stakeholders (\$5,000);(b) develop training/capacity development plan(\$3,000);(c) implement and monitor training/capacity development plan(\$3,000);(d) exchange technical knowledge with specialised national and international entities(NIL);(e) training materials are incorporated into FRWO management guidelines and plans(\$2,000);(f) induction courses set up and in place(NIL);(g)assess effectiveness of existing monitoring and enforcement mechanisms and gap analysis(\$2,000);(h) develop a plan to increase effectiveness of existing monitoring and enforcement mechanisms and establishment of new systems(\$1,500);(i) implement the plan(\$3,000) ;(j) investigate in detail socio-economic barriers of multiple-use forest management in the Caspian Hyrcanian forest landscape(\$3,000);(k) investigate indigenous knowledge of forest dwellers for multiple-use forest management(\$2,000) ;(l) deploy international know-how and best practices of multiple-use forest management (\$5,000);(m) develop best practices manual and guidelines for multiple-use forest management (\$3,000);(n) select pilot landscape for piloting sustainable land-use planning and management (\$2,000);(o) develop sustainable land-use plan in a participatory manner(\$3,000);implement and monitor sustainable land-use plan(\$3,000);(p) develop pilot replication strategy(\$1,500);(q) select replication pilot landscapes(\$1,000); and to (r) implement replication strategy in pilot landscapes (\$3,000).</p>
9	<p>Specialist and substantial technical support will be required by Local Consultants - carrying out the bulk of assignments but provided with technical support from international consultants as appropriate -to implement the following activities: (a) conduct training/capacity needs assessment for FRWO other key stakeholders (\$7,000);(b) develop training/capacity development plan(\$3,000);(c) implement and monitor training/capacity development plan(\$7,000);(d) exchange technical knowledge with specialised national and international entities(\$2,000);(e) training materials are incorporated into FRWO management guidelines and plans(\$2,000);(f) induction courses set up and in place(\$5,000);(g)assess effectiveness of existing monitoring and enforcement mechanisms and gap analysis(\$4,000);(h) develop a plan to increase effectiveness of existing monitoring and enforcement mechanisms and establishment of new systems(\$2,000);(i) implement the plan(\$5,000) ;(j) investigate in detail socio-economic barriers of multiple-use forest management in the Caspian Hyrcanian forest landscape(\$5,000);(k) investigate indigenous knowledge of forest dwellers for multiple-use forest management(\$3,000) ;(l) deploy international know-how and best practices of multiple-use forest management (NIL);(m) develop best practices manual and guidelines for multiple-use forest management (\$4,000);(n) select pilot landscape for piloting sustainable land-use planning and management (\$5,000);(o) develop sustainable land-use plan in a participatory manner(\$10,000);implement and monitor sustainable land-use plan(\$7,000);(p) develop pilot replication strategy(\$3,000);(q) select replication pilot landscapes(\$3,000); and to (r) implement replication strategy in pilot landscapes (\$7,000). Also includes costs for the National Project Manager to provide technical inputs to (a) implement and monitor sustainable land-use plan (\$10,000) and (b) select replication pilot landscapes (\$2,000).</p>
10	<p>Contractual Services from Specialist Companies required to carry out the following activities under NPM supervision: (a) implement and monitor training/capacity development plan (\$25,000); (b) induction courses set up and in place (\$10,000); (c) implement the monitoring plan (\$30,000); (d) implement and monitor sustainable land-use plan (\$15,000) and (e) implement replication strategy in pilot landscapes (\$20,000).</p>

No.	Budget Notes
11	Individual hires required for technical support roles, assisting the NPM in working with consultants to implement the following activities: (a) conduct training/capacity needs assessment for FRWO other key stakeholders (\$5,000);(b) develop training/capacity development plan(\$2,500);(c) implement and monitor training/capacity development plan(\$5,000);(d) exchange technical knowledge with specialised national and international entities(\$2,000);(e) training materials are incorporated into FRWO management guidelines and plans(\$1,500);(f) induction courses set up and in place(\$3,000);(g) assess effectiveness of existing monitoring and enforcement mechanisms and gap analysis(\$2,000);(h) develop a plan to increase effectiveness of existing monitoring and enforcement mechanisms and establishment of new systems(\$1,000);(i) implement the plan(\$3,000) ;(j) investigate in detail socio-economic barriers of multiple-use forest management in the Caspian Hyrcanian forest landscape(\$5,000);(k) investigate indigenous knowledge of forest dwellers for multiple-use forest management(\$3,000) ;(l) deploy international know-how and best practices of multiple-use forest management (\$2,000);(m) develop best practices manual and guidelines for multiple-use forest management (\$3,000);(n) select pilot landscape for piloting sustainable land-use planning and management (\$2,000);(o) develop sustainable land-use plan in a participatory manner(\$5,000);implement and monitor sustainable land-use plan(\$5,000);(p) develop pilot replication strategy(\$3,000);(q) select replication pilot landscapes(\$1,500); and to (r) implement replication strategy in pilot landscapes (\$10,000).
12	Trainings will be utilised to ensure preparation and awareness activities are carried out to achieve the following project outputs: 2.1. Central and district staff of FRWO and other key stakeholders trained and able to apply / oversee multiple-use landscape level forest management (\$26,000); 2.2. Training materials and best practices incorporated into FRWO staff induction courses (\$3,000); 2.3. Effective monitoring and enforcement systems in place to control harvesting forest resources (\$6,000); 2.4. Best practices manual and guidelines for multiple-use forest landscape management prepared, tested and revised (\$26,000); 2.5. Sustainable land-use plan implemented in a pilot landscape to provide 'learning by doing' and input to fine tune general the Caspian Hyrcanian forest landscape (\$24,000) and 2.6. Replication plan for at 5 other pilot landscapes initiated with secured resources from central and provincial government by the end of the project (\$9,000).
13	Funds will be required to ensure adequate stakeholder awareness of project activities therefore once complete these will be printed and disseminated to all key stakeholders in project pilots, the Caspian Hyrcanian landscape, nationally and internationally as appropriate (\$45,000).
14	Funds will be required for travel for consultants, contractors and project staff to reach landscape sites whether for research, activity implementation or stakeholder meetings as well as to national level meetings. Stakeholders will be required to attend national and / or landscape level meetings and seminars as appropriate to the particular output and activity (\$69,500).
	COMPONENT 3.Community piloting of integrated forest management

No.	Budget Notes
15	Specialist technical support will be required by International Consultants Consultants – providing methodological and strategic insight, as well as support in quality control to local consultants - to implement the following activities under the guidance of the NPM: (a) review and revise sustainable alternative livelihoods strategy developed during PPG (\$4,000); (b) develop detailed sustainable alternative livelihoods plan for each pilot landscape including NTFP enterprise development strategy (\$2,000); (c) implement sustainable alternative livelihoods plan and monitor (\$10,000); (d) assess capacity development needs for communities, NGOs and CBOs engaged in multiple-use forest management (\$4,000); (e) conduct capacity development exercises followed by participatory management planning for 2 pilot forest landscapes (\$20,000); (f) develop FMPs for 2 pilot forest landscapes (\$5,000); and (e) implement and monitor management plans in a participatory manner (\$5,000);
16	Specialist technical support will be required by Local Consultants - carrying out the bulk of assignments but provided with technical support from international consultants as appropriate -to implement the following activities under the guidance of the NPM: (a) review and revise sustainable alternative livelihoods strategy developed during PPG (\$5,000); (b) develop detailed sustainable alternative livelihoods plan for each pilot landscape including NTFP enterprise development strategy (\$2,000); (c) implement sustainable alternative livelihoods plan and monitor (\$10,000); (d) assess capacity development needs for communities, NGOs and CBOs engaged in multiple-use forest management (\$6,000); (e) conduct capacity development exercises followed by participatory management planning for 2 pilot forest landscapes (\$35,000); (f) develop FMPs for 2 pilot forest landscapes (\$5,000); and (e) implement and monitor management plans in a participatory manner (\$10,000). Also - costs for the National Project Manager to provide technical inputs to implement the sustainable alternative livelihoods plan and monitor it (\$10,000).
17	Contractual Services from Specialist Companies required to carry out the following activities under NPM supervision: (a) implement sustainable alternative livelihoods plan and monitor it (\$75,000); (b) conduct capacity development exercises followed by participatory management planning for 2 pilot forest landscapes (\$30,000); (c) develop FMPs for 2 pilot forest landscapes (\$18,000) and (d) implement and monitor management plans in a participatory manner (\$140,000).
18	Individual hires required for technical support roles, assisting the NPM in working with consultants to implement the following activities: (a) review and revise sustainable alternative livelihoods strategy developed during PPG (\$5,000); (b) develop detailed sustainable alternative livelihoods plan for each pilot landscape including NTFP enterprise development strategy (\$3,000); (c) implement sustainable alternative livelihoods plan and monitor (\$35,000); (d) assess capacity development needs for communities, NGOs and CBOs engaged in multiple-use forest management (\$6,000); (e) conduct capacity development exercises followed by participatory management planning for 2 pilot forest landscapes (\$10,000); (f) develop FMPs for 2 pilot forest landscapes (\$5,000); and (e) implement and monitor management plans in a participatory manner (\$20,000);
19	Trainings will be utilised to ensure preparation and awareness activities are carried out to achieve the following project outputs: 3.1 Alternative livelihood development plan implemented that includes agri-livestock based activities (independent to forest ecosystems) and also a NTFP enterprises development and value addition strategy (\$18,000) and 3.2 At least 2 community-based FMPs developed and implemented that include prescriptions for sustainable\ sustainable use of forest resources, resource sharing mechanisms, responsibilities of the local communities in the implementation of the plan (\$54,000).

No.	Budget Notes
20	Funds will be required to ensure adequate stakeholder awareness of project activities therefore once complete these will be printed and disseminated to all key stakeholders in project pilots, the Caspian Hyrcanian landscape, nationally and internationally as appropriate (\$43,500).
21	Funds will be required for travel for consultants, contractors and project staff to reach landscape sites whether for research, activity implementation or stakeholder meetings as well as to national level meetings. Stakeholders will be required to attend national and / or landscape level meetings and seminars as appropriate to the particular output and activity (\$32,000).
	<b>Project Management</b>
22	Technical support required from International Consultant(s) for midterm (\$5,000) and final evaluations (\$5,000) (teamed up with local consultants).
23	Technical support required from Local Consultants for midterm (\$25,000) and final evaluations (\$25,000) (teamed up with an international consultant). Also includes costs for the National Project Manager (a local consultant hire) to carry out day-to-day management activities (not specifically covered by output based consultant costs or local hire) under the three components (\$95,000).
24	Contractual Services from specialist accountancy companies required in carrying out annual audits at \$3,000 a year (\$15,000).
25	A total of \$10,000 has been budgeted for non-output specific activities travel by staff of the PCU to allow for effective project coordination between the PCU and the different pilot areas and numerable field sites within them.
26	\$10,000 has been budgeted for computer purchases, computer upgrades and services and field and office equipment.

WORKPLAN. This budget will be used as the basis for the preparation of Annual Work Plans by the Project Central Office.

**ANNEX B: RESPONSES TO PROJECT REVIEWS** (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

Issue	Response
<b>From GEF Secretariat</b>	
<p>03/04/11 IG. Cofinancing from the Agency is \$150,000.</p> <p>03-04-2011 UA: Please explore increasing the co-financing from UNDP.</p>	<p>UNDP is contributing \$350,000 as co-finance to the project. Together with the government, the total co-finance is now \$5,275,000.</p>
<p>03-04-2011 UA: The CFM component (#3) should be explicitly designed to be able to monitor and evaluate the environmental impact of the activities. In view of GEBs, the component should not only generate benefits, but also catalyze effective forest management through M&amp;E with credible evidence about what works and under what conditions.</p>	<p>We thank the reviewer for this comment. We agree that for community forestry to succeed and deliver positively on biodiversity and socio-economic outcomes envisaged, it depends on abilities of local communities (who are ultimately the final evaluators) to monitor, analyze and evaluate CF outcomes. The project will thus put in place a participatory community based monitoring and evaluation system to capture changes, generate lessons on what works and what does not and ultimately to adaptively manage forests areas under community management. As part of this participatory M&amp;E, for CF areas will be put in place as part of component 3 (output 3.3 is dedicated to this purpose). Community groups will carry out participatory forest inventories accompanied by a socio-economic assessment in the first year of the project to set the baseline conditions for both the natural aspect of the forest area and existing socio-economic conditions in the adjacent villages. Participatory monitoring over the course of the project implementation (at least once a year) will include variables such as: a) the distribution and abundance of locally identified important species and some proxy to measure the habitat quality such as “no loss” of forest area to measure biodiversity conservation results); b) participatory surveys of household perceptions on the importance of forests, change in incomes and living standards to measure the social and economic impact of the community forestry component including alternative livelihood development activities. Monitoring will also include participatory assessments of compliance to strategies and guidelines that are contained in the CF management plans – that would be developed for each of the CF pilots. The ability of the communities to assess, analyze and judge and finally how they ask questions and present information will be an important aspect of such a M&amp;E system and would rely heavily on their ability to make use of participatory methods and tools. In order to assist local communities pick such skills, local FRWO staff supporting the development of the CF pilots will be trained in the use of participatory tools for monitoring and assessment. Likewise, a livelihoods training strategy will also be carried out to secure sustainable livelihoods for local communities imparting skills such as community organisation, and resource management (resource inventory, determining sustainable off-take, developing management scenarios, and adapting management).</p> <p>In addition to the participatory M&amp;E, periodic monitoring by the FRWO will also be carried</p>

	<p>out especially in regard to ensuring compliance to the prescriptions of the CF management plans. Where communities' activities deviate from or default on agreements made in the CF management plans, options will be explored jointly so that such community practices re-conform to management plan principles.</p>
<p>03/04/11 IG The PIF includes outlines of the measures taken to involve local people to adopt less damaging agricultural practices and enhance NTFP-related income generation. Employment opportunities for 25,000 people are mentioned but not detailed. Further information on the socio-economic benefits likely to result for these communities will be required at CEO endorsement.</p>	<p>The primary vehicle for delivering important social and economic benefits from the project is the alternative livelihoods development strategy. Following consultations with the communities and other stakeholders, an alternative livelihood development plan was put together. Different types of alternative livelihood options together with related information on proportion of people that stand to benefit from it and required technical and other support was prepared (table 6 of UNDP Project document). To ensure optimum outcome and efficient utilization of limited funds the project will support existing community groups and form new ones to implement these. Community groups will be imparted training on such substantive aspects as small scale sustainable dairy farming; sustainable fishing and aquaculture; improved horticulture development; gums and resin collection and sale; rural craft making; development of eco-tourism products etc. In order to ensure that community enterprises are viable and sustainable, groups will also be trained on business development and management (book keeping, business plan development etc.)</p> <p>Key benefits accruing to local communities arising out of the implementation of the alternative livelihood strategy and engagement in the multiple use plan implementation have been detailed out in the project document. A primary benefit is the increase in household income especially of households engaged in alternative livelihoods and employment for local communities in the implementation of various activities under the multi-use plan. Other benefits include greater availability of non-timber forest products, improved availability ecosystem services (water, soil erosion control) as a result of improved natural resource conditions. In addition as a result of targeting of project interventions to include poor households and focus on group formation, the project is expected to deliver important social benefits such as poverty reduction and increase in social capital in the rural communities. Gender equality and women empowerment will also be another important benefit arising out of the keen concentration on gender equality.</p>
<b>From STAP: Consent</b>	
<p>Regarding Component 3, involving Community Forest Management (CFM), STAP draws UNDP's attention to the recently published advisory document from STAP [1] which provides well defined peer reviewed guidance on design choices available and precautions to consider while maximizing the opportunity to improve the evidence base for GEF- supported CFM. While the description in the PIF of how Component 3 will be</p>	<p>The project team thanks the STAP for this comment. The UNDP Project document contains the detail in terms of how CFM will be developed including the participatory formulation of the CF Management Plan that will guide the overall management of the CF areas. The project development team's design choices have been informed as recommended by STAP by an analysis of international best practices and experiences while also being firmly grounded into the local policy and socio-cultural context of Iran. The project has also considered lessons from Zagros project.</p> <p>Given that community participation in forest management is relatively new and only recently</p>



<p>developed is encouraging, STAP supports the observations made by the GEFSec on the PIF regarding the need to demonstrate effective forest management through M&amp;E with credible evidence about what works and under what conditions. For example the proposed Community Forest Management Plan should include a few important outcome indicators to be applied at both CFM and non-CFM sites over the project period. STAP would welcome a dialogue with the project proponents regarding CFM design choices for the full project brief that are also well informed by emerging outcomes in related projects e.g. Conservation of Biodiversity in the Central Zagros Landscape Conservation Zone (GEF ID 1322) which aim to demonstrate biodiversity mainstreaming at the local level in a series of villages across the Zone, and establish mechanisms to facilitate the dissemination and replication of the successful village approaches.</p>	<p>being accepted as an alternative approach, CFM that will be implemented in the project area is closer in resemblance to co-management rather than fully developed CFM. In this case, the FRWO retains the overall mandate of being forest custodian on behalf of the nation, but this project will explore and put in place options for greater community level roles and responsibilities within that context. As per the STAP Guidance Reference Document entitled “The Evidence Base for Community Forestry Management .... Local Welfare”, conscious decision has been taken to select sites for CFM (to be further confirmed during implementation) for which pre-selection bias is the minimum while also including non-CFM sites (with adequate relevant baseline data) for comparison. The project team appreciates the advice on instituting a robust M&amp;E and is pleased to inform that a participatory assessment, monitoring and evaluation system will be put in place (please see response to comments from the GEF Sec on the same above) to enable adaptive management and demonstration of what works under what conditions. Further as advised by STAP, the CF Management Plans will include the following outcome indicators “The rate of forest clearance under CFM as compared against non-CFM areas” [Baseline: to be measured in YR1; Target: Forest degradation due to agriculture, illegal cutting and livestock grazing in community pilots decreased by at least 50% in total pilot area and less than non-CFM area].</p>
<p>STAP notes a disparity between the narrative in the Project Overview, which cites long term climate change but particularly fires as a major problem, yet in the risk table climate change impacts are rated as low risk and fires are not mentioned. Surely if fires are considered a major risk then investment in community management areas within the selected 30,000 ha is at serious risk from catastrophic events, including fires, and therefore a statement of mitigating measures should be included.</p>	<p>The project team thanks the STAP for this observation and recommendation to consider it in the risk management strategy. Forests fires are indeed an important risk – something that will only be exacerbated with climate change. A risk related to this and the associated risk mitigation as below has been incorporated into the project document:</p> <ul style="list-style-type: none"> <li>• Risk: Forest fires are expected to increase in frequency and intensity as result of climate change.</li> <li>• Risk mitigation strategy: The multi-use forest management planning in pay adequate attention to identification of forest hazard zones based on which appropriate actions such as fire breaks and other stand management activities will be implemented. These activities will be financed from regular forest management budgets that are earmarked for forest fire management. The information generated by the hazard mapping will also inform situating community forestry pilots – decision on not locating CFM areas in highly vulnerable areas to reduce risks.</li> </ul>
<p><b>From Council</b></p>	
<p>No significant comments</p>	

## ANNEX C: CONSULTANTS TO BE HIRED FOR THE PROJECT USING GEF RESOURCES

Position Titles	US \$/ person/ week	Estimated person /weeks (for GEF finance)	Details / Tasks to be performed
<b>Project Management</b>			
International Consultants	\$3,000	3.3 weeks	Technical support required from International Consultant(s) for midterm (\$5,000) and final evaluations (\$5,000) (teamed up with local consultants).
Local Consultants	\$1,500	96.6 weeks	Technical support required from Local Consultants for midterm (\$25,000) and final evaluations (\$25,000) (teamed up with an international consultant). Also includes costs for the National Project Manager (a local consultant hire) to carry out day-to-day management activities (not specifically covered by output based consultant costs or local hire) under the three components (\$95,000).
Service contracts - Individuals	Competitive Tenders	Competitive Tenders	Contractual Services from specialist accountancy companies required in carrying out annual audits at \$3,000 a year (\$15,000).
<b>Technical Assistance</b>			
Local Consultants	1,500	246 weeks	Substantial technical inputs required from <u>Local Consultants</u> - carrying out the bulk of assignments but provided with technical support from international consultants as appropriate – COMPONENT ONE to carry out (a) a gap analysis of national policy and regulatory framework for mainstreaming of BD conservation into land-use planning in Caspian Hyrcanian forests and management of forest ecosystems (\$20,000); (b) updating national policy and regulatory framework to meet BD mainstreaming needs (\$5,000), (c) preparing and sharing operational guidelines for development of multiple land-use management plans for forest ecosystems of Caspian Hyrcanian (\$22,000), (d) an investigative study of known biodiversity rich areas for the Caspian Hyrcanian forests (\$30,000) (e) feasibility study of management options carried out for the Caspian Hyrcanian forests (\$10,000); (f) financial and business planning for Caspian Hyrcanian forests (\$30,000) (g) assessment of appropriate land-uses and management practices in the landscape (\$30,000) (h) Approve, implement and monitor sustainable land-use plan (\$20,000); (i) determine economic values of Caspian Hyrcanian forests' goods and services (\$10,000);(j) determine costs of ecosystem degradation in different land-uses of Caspian Hyrcanian area (\$5,000); (k) Advocate values of forest ecosystems and incorporate values into planning and high level legislation mechanisms (\$5,000).Also includes costs for the National Project Manager, under local consultant contract, to provide technical inputs to (a) share multiple use operational guidelines with stakeholders for comments and finalisation (\$1,500) and to support a Feasibility study of management options carried out for the Caspian Hyrcanian forests (\$2,000). COMPONENT TWO (a) conduct training/capacity needs assessment for FRWO other key stakeholders (\$7,000);(b) develop training/capacity development plan(\$3,000);(c) implement and monitor training/capacity development plan(\$7,000);(d) exchange technical knowledge with specialised national and international entities(\$2,000);(e) training materials are incorporated into FRWO management guidelines and plans(\$2,000);(f) induction courses set up and in place(\$5,000);(g)assess effectiveness of existing monitoring and enforcement mechanisms and gap analysis(\$4,000);(h) develop a plan to increase effectiveness of existing monitoring and enforcement mechanisms and establishment of new systems(\$2,000);(i) implement the plan(\$5,000) ;(j) investigate in detail socio-economic barriers of multiple-use forest

Position Titles	US \$/ person/ week	Estimated person /weeks (for GEF finance)	Details / Tasks to be performed
			management in the Caspian Hyrcanian forest landscape(\$5,000);(k) investigate indigenous knowledge of forest dwellers for multiple-use forest management(\$3,000) ;(l) deploy international know-how and best practices of multiple-use forest management (NIL);(m) develop best practices manual and guidelines for multiple-use forest management (\$4,000);(n) select pilot landscape for piloting sustainable land-use planning and management (\$5,000);(o) develop sustainable land-use plan in a participatory manner(\$10,000);implement and monitor sustainable land-use plan(\$7,000);(p) develop pilot replication strategy(\$3,000);(q) select replication pilot landscapes(\$3,000); and to (r) implement replication strategy in pilot landscapes (\$7,000). Also includes costs for the National Project Manager to provide technical inputs to (a) implement and monitor sustainable land-use plan (\$10,000) and (b) select replication pilot landscapes (\$2,000). COMPONENT THREE (a) review and revise sustainable alternative livelihoods strategy developed during PPG (\$5,000); (b) develop detailed sustainable alternative livelihoods plan for each pilot landscape including NTFP enterprise development strategy (\$2,000); (c) implement sustainable alternative livelihoods plan and monitor (\$10,000); (d) assess capacity development needs for communities, NGOs and CBOs engaged in multiple-use forest management (\$6,000); (e) conduct capacity development exercises followed by participatory management planning for 2 pilot forest landscapes (\$35,000); (f) develop FMPs for 2 pilot forest landscapes (\$5,000); and (e) implement and monitor management plans in a participatory manner (\$10,000). Also - costs for the National Project Manager to provide technical inputs to implement the sustainable alternative livelihoods plan and monitor it (\$10,000).
Contractual Services – Companies	Competitive Tenders	Competitive Tenders	Contractual Services from Specialist Companies required to carry out COMPONENT ONE (a) Adjust and put in practice the national policy and regulatory framework to meet BD mainstreaming needs (\$10,000); (b) investigative study of known biodiversity rich areas for the Caspian Hyrcanian forests ((\$10,000); (c) feasibility study of management options carried out for the Caspian Hyrcanian forests (\$10,000) and (e) to develop sustainable land use plan (\$30,000). COMPONENT TWO (a) implement and monitor training/capacity development plan (\$25,000); (b) induction courses set up and in place (\$10,000); (c) implement the monitoring plan (\$30,000); (d) implement and monitor sustainable land-use plan (\$15,000) and (e) implement replication strategy in pilot landscapes (\$20,000). COMPONENT TWO (a) implement sustainable alternative livelihoods plan and monitor it (\$75,000); (b) conduct capacity development exercises followed by participatory management planning for 2 pilot forest landscapes (\$30,000); (c) develop FMPs for 2 pilot forest landscapes (\$18,000) and (d) implement and monitor management plans in a participatory manner (\$140,000).
International consultants	\$3,000	55 weeks	Technical support required from <u>International Consultants</u> – providing methodological and strategic insight, as well as support in quality control to local consultants - COMPONENT ONE to carry out (a) a gap analysis of national policy and regulatory framework for mainstreaming of BD conservation into land-use planning in Caspian Hyrcanian forests and management of forest ecosystems (\$10,000); (b) updating national policy and regulatory framework to meet BD mainstreaming needs (\$2,000), (c) preparing operational guidelines for development of multiple land-use management plans for forest ecosystems of Caspian Hyrcanian (\$3,000), (d) an investigative study of known biodiversity rich areas for the Caspian Hyrcanian forests (\$10,000) (e) feasibility study of management options

Position Titles	US \$/ person/ week	Estimated person /weeks (for GEF finance)	Details / Tasks to be performed
			<p>carried out for the Caspian Hyrcanian forests (\$5,000); (f) financial and business planning for Caspian Hyrcanian forests (\$10,000) (g) assessment of appropriate land-uses and management practices in the landscape (\$10,000) (h) development of a sustainable land-use plan (\$5,000); (i) determine economic values of Caspian Hyrcanian forests' goods and services (\$6,000);(j) determine costs of ecosystem degradation in different land-uses of Caspian Hyrcanian area (\$10,000).COMPONENT TWO: (a) conduct training/capacity needs assessment for FRWO other key stakeholders (\$5,000);(b) develop training/capacity development plan(\$3,000);(c) implement and monitor training/capacity development plan(\$3,000);(d) exchange technical knowledge with specialised national and international entities(NIL);(e) training materials are incorporated into FRWO management guidelines and plans(\$2,000);(f) induction courses set up and in place(NIL);(g)assess effectiveness of existing monitoring and enforcement mechanisms and gap analysis(\$2,000);(h) develop a plan to increase effectiveness of existing monitoring and enforcement mechanisms and establishment of new systems(\$1,500);(i) implement the plan(\$3,000) ;(j) investigate in detail socio-economic barriers of multiple-use forest management in the Caspian Hyrcanian forest landscape(\$3,000);(k) investigate indigenous knowledge of forest dwellers for multiple-use forest management(\$2,000) ;(l) deploy international know-how and best practices of multiple-use forest management (\$8,000);(m) develop best practices manual and guidelines for multiple-use forest management (\$3,000);(n) select pilot landscape for piloting sustainable land-use planning and management (\$2,000);(o) develop sustainable land-use plan in a participatory manner(\$3,000);implement and monitor sustainable land-use plan(\$3,000);(p) develop pilot replication strategy(\$1,500);(q) select replication pilot landscapes(\$1,000); and to (r) implement replication strategy in pilot landscapes (\$3,000). COMPONENT THREE (a) review and revise sustainable alternative livelihoods strategy developed during PPG (\$4,000); (b) develop detailed sustainable alternative livelihoods plan for each pilot landscape including NTFP enterprise development strategy (\$2,000); (c) implement sustainable alternative livelihoods plan and monitor (\$10,000); (d) assess capacity development needs for communities, NGOs and CBOs engaged in multiple-use forest management (\$4,000); (e) conduct capacity development exercises followed by participatory management planning for 2 pilot forest landscapes (\$20,000); (f) develop FMPs for 2 pilot forest landscapes (\$5,000); and (e) implement and monitor management plans in a participatory manner (\$5,000)</p>

#### LINE ITEMS IN PROJECT MANAGEMENT IN GREATER DETAIL

Cost items	GEF (\$)	Other sources (\$)	Project Total (\$)	Comments
International consultants	10,000		<b>10,000</b>	To support mid-term evaluation and final technical evaluation activities @ 30,000 for each evaluation totalling \$60,000, of which \$10,000 is allocated to International Consultants

Cost items	GEF (\$)	Other sources (\$)	Project Total (\$)	Comments
Local consultants	145,000		<b>145,000</b>	To support mid-term evaluation and final technical evaluation activities @ 30,000 for each evaluation totalling \$60,000, of which \$50,000 is allocated to Local Consultants. \$95,000 is allocated to local consultants for direct Project Management
Office facilities, equipment, vehicles and communications	10,000	200,000	<b>210,000</b>	\$10,000 has been budgeted for computer purchases, equipment, upgrades and services. From co-financing, FRWO will be housing the project office in Chalus as well as site support facilities in provincial offices
Travel	10,000	116,250	<b>126,250</b>	A total of \$10,000 has been budgeted for non-component specific activities travel by staff of the PCO to allow for effective project coordination between the Project Central Office and the different pilot landscapes and numerable field sites within them. FRWO will offer support through vehicles and direct site transport
Others	15,000		<b>15,000</b>	To support independent audits @ 3,000 for each audit totalling \$15,000
Personnel		200,000	<b>200,000</b>	The project's management will be vastly enhanced by seconded and direct support from government, personnel at Project Central Office and pilot / landscape level.
<b>Total</b>	<b>190,000</b>	<b>516,250</b>	<b>706,250</b>	

**ANNEX D: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS**

A. EXPLAIN IF THE PPG OBJECTIVE HAS BEEN ACHIEVED THROUGH THE PPG ACTIVITIES UNDERTAKEN.

PPG activities were developed as anticipated. The main outputs of the PPG were the Project Document and the CEO Endorsement Request. More specifically, the following PPG outputs have been achieved:

- Activity 1: Site profiling and detailed threat assessment
- Activity 2: Capacity Assessment for multiple-use forest management at systemic and institutional levels
- Activity 3: Assessment of community capacities for natural resource management and alternative livelihoods
- Activity 4: Feasibility Analysis and Budget

B. DESCRIBE FINDINGS THAT MIGHT AFFECT THE PROJECT DESIGN OR ANY CONCERNS ON PROJECT IMPLEMENTATION, IF ANY:

No major factors were identified that may prevent the achievement of the project's objective, beyond the risks described in the Project Justification section of this CEO Endorsement Request.

C. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES AND THEIR IMPLEMENTATION STATUS IN THE TABLE BELOW:

<i><b>Project Preparation Activities Approved</b></i>	<i><b>Implementation Status</b></i>	<i><b>GEF/LDCF/SCCF Amount (\$)</b></i>				<i><b>Cofinancing (\$)</b></i>
		<i><b>Amount Approved</b></i>	<i><b>Amount Spent To date</b></i>	<i><b>Amount Committed</b></i>	<i><b>Uncommitted Amount*</b></i>	
<b>1.</b> Site profiling and threat assessment.	Completed	25,000	25,000			70,000
<b>2.</b> Capacity assessment at systemic and institutional levels	Completed	20,000	20,000			90,000
<b>3.</b> Assessment of alternative livelihoods and community capacities	Completed	20,000	20,000			55,000
<b>4.</b> Feasibility analysis and budget.	Completed	35,000	35,000			35,000
<b>Total</b>		<b>100,000</b>	<b>100,000</b>			<b>250,000</b>

\* Any uncommitted amounts should be returned to the GEF Trust Fund. This is not a physical transfer of money, but achieved through reporting and netting out from disbursement request to Trustee. Please indicate expected date of refund transaction to Trustee.

**ANNEX E: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used) N/A**