

SUMMARY

2018 Special Measure in favour of Iran for ‘Support to Sustainable Development in Iran’ to be financed from the general budget of the European Union

1. IDENTIFICATION

Budget heading	21.020400
Total cost	EUR 18 000 000 of EU contribution (in 2018)
Basic act	Regulation (EU) No 233/2014 of 11 March 2014 Regulation (EU) No 236/2014 of 11 March 2014

2. COUNTRY BACKGROUND

The Islamic Republic of Iran faces a number of challenges in its socio-economic development. The Iranian Rial has depreciated by 50 % in 2018 and foreign companies are winding down their operations before US nuclear-related sanctions are reactivated in August 2018. While heavily reliant on the hydrocarbon industry, the economy fails to provide large parts of especially the young population with sustainable employment. This has led to social unrest and the world's possibly most severe addiction crisis (mainly opiates and amphetamine-type stimulants). Air pollution in major cities and CO2 emission levels are among the highest in the world. Unsustainable water and land management contribute to soil erosion, desertification, shrinking wetlands and droughts.

The EU's top priority given to Iran was emphasised at the informal meeting of EU leaders in Sofia on 18 May 2018 and in the joint note of Secretaries-General Selmayr and Schmid of the Commission and the EEAS of 29 May 2018 (Ares(2018)2772120).

3. SUMMARY OF THE ACTION PROGRAMME

1) Background:

This is the first Action to be developed based on the EUR 50 million bilateral allocation introduced by the Commission and the EEAS as part of the Mid-Term Review of the Development Cooperation Instrument in 2018. Following the informal EU leaders meeting in Sofia on 18 May 2018, the EU is taking steps to demonstrate its commitment to the JCPoA. This includes confidence-building measures such as strengthening ongoing sectoral cooperation with, and assistance to, Iran. The Action is further informed by the European Parliament resolution of 25 October 2016, which calls for re-engagement with Iran in technical areas that create positive precedents of EU-Iranian joint work.

The April 2016 Joint Statement of HRVP Mogherini and Iran's Foreign Minister Mohammad Javad Zarif expresses the mutual intention to develop a broad and comprehensive agenda for bilateral cooperation and outlines the main areas of interest to the EU and Iran for deeper cooperation. This first Special Measure in favour of Iran aims to underpin these policy priorities, in line with the European Consensus on Development, by providing targeted support in the areas of Prosperity, Planet and People.

In recognition of the country's many challenges, Iran's sixth National Development plan (2016-2021) emphasises market-based reforms and environmental issues to build a resilient economy. This measure aims to support these reforms through three components. Firstly, to contribute to inclusive economic growth, this measure includes trade-related technical assistance and support to SMEs and value chain development (Prosperity). Moreover, to address environmental challenges support will be given to increase Iran's self-reliance in addressing water pollution, air pollution, waste management and soil degradation, through implementing new methods and technologies, systems strengthening, and support to the design and implementation of national strategies (Planet). Lastly, a third component will strengthen the prevention, treatment, and rehabilitation of substance abusers as well as services for users infected with HIV or suffering from AIDS (People).

2) Cooperation related policy of beneficiary country:

Relevant policies include the above-mentioned sixth National Development plan (2016-2021); Iran's Intended Nationally Determined Contribution to UNFCCC, especially as far as regards water resources management, dust and sand storms, air pollution, floods and droughts, and drying wetlands; and the revised National Biodiversity Strategies and Action Plan.

3) Coherence with the programming documents:

There is no programming document for Iran in the current MFF.

This measure is in line with relevant policies, such as the European Consensus on Development¹, the Commission Communication 'Achieving Prosperity through Trade and Investment'², and the 2010 Communication and Council Conclusions on the EU's role in Global Health³.

4) Identified action:

The overall objective of this Special Measure is to support Iran in achieving sustainable economic and social development.

The action will have the following specific objectives and output: (1) increased and diversified trade in goods and services, (2) the decoupling of economic growth from environmental degradation, and (3) comprehensive and evidence-based drug use prevention, treatment, rehabilitation and social reintegration.

It will be implemented partly in indirect management with the International Trade Center (ITC), partly in indirect management with one or more EU Member State agencies, and partly in direct management through a grant scheme.

5) Expected results:

The programme is expected to reach the following results:

1.1 Trade policy, market intelligence, investment framework, and mechanisms for addressing bilateral trade irritants are improved;

1.2 Inclusive access to markets and/or value chains is improved;

1.3 Capacity for business innovation and entrepreneurship, including on sustainable and digital solutions is increased;

2.1.1 Air quality plans are implemented at national, regional and local level

¹ https://ec.europa.eu/europeaid/sites/devco/files/european-consensus-on-development-final-20170626_en.pdf

² COM(2017) 667 of 13.11.2017

³ https://ec.europa.eu/europeaid/sites/devco/files/communication-eu-role-in-global-health-com2010128-20100331_en.pdf

- 2.2.1 Waste management plans are implemented at national, regional and local level;
- 2.2.2 Less waste is produced and dumping of waste is reduced;
- 2.3.1 River basin, flood and drought, wetlands, and other water resources management plans are implemented at national, regional and local level;
- 2.4.1 Plans relating to resource efficient and biodiversity-preserving agricultural practices are implemented at national, regional and local level;
- 2.4.2 Soil quality indicators are improved;
- 2.5.1 The awareness, knowledge and capacities of policy makers and other stakeholders on sustainable resources management, resource efficiency and Inclusive Green Economy issues is improved;
- 3.1 Tailor-made drug treatment programmes are introduced and/or strengthened, with special emphasis on women, children and Amphetamine-Type Stimulants and poly-drug users;
- 3.2 The coverage and quality of HIV prevention, treatment and care and harm reduction services for people who use and/or inject drugs is expanded and enhanced;
- 3.3 National, regional and international networking on HIV/AIDS and harm reduction and for knowledge sharing and dissemination of stigma-free advocacy messages is supported;

6) Past EU assistance and lessons learnt:

This is the first bilateral allocation for Iran and covers areas on which there has previously been little or no cooperation between the EU and Iran. Lessons learned are therefore very limited at this point in time, notably as regards cooperation on trade.

As concerns environmental projects, bringing in experiences from regional projects in the area of environment and climate change mitigation, notably from the Southern Neighbourhood and Central Asia is expected to have tangible benefits. This includes green economy projects under the regional SWITCH Asia programme.

As concerns drugs and HIV, Iran has established many successful programmes for addressing these problems in the various areas of prevention, treatment and care in communities and prisons. Many communities benefit from outreach programmes, drop-in centres and other initiatives, and NGOs are actively involved in programme implementation and service delivery. Moreover, Iran is a pioneer country in the fields of opium substitution therapies, HIV prevention, and treatment of AIDS, and successful HIV prevention and treatment programmes are being rolled out in the prison setting. Nonetheless, an urgent need remains to expand existing programmes and introduce new programmes for a proper response to the problem of HIV and drug use in the country as well as for further review and reform of systems, structures and skillsets.

7) Complementary actions/donor coordination:

Other significant donors are absent except in the area of migration and forced displacement (Germany, Sweden, Denmark, Norway) and agriculture (Japan). The EU is the only donor to the actions foreseen.

The measure is complementary to support in the area of civil nuclear cooperation, forced displacement, and cultural heritage, in the sense that it is part of a wider demonstration of the EU's commitment to implement the JCPOA and deliver benefits to Iran from continued international cooperation and engagement.

4. COMMUNICATION AND VISIBILITY

The European Commission, ITC, Member State agencies and civil society partners will abide by the visibility rules for European Union financing as per relevant provisions of the measure.

5. COST AND FINANCING

2018 Special Measure in favour of Iran	EUR 18 000 000
Total EU contribution to the measure	EUR 18 000 000

The Committee is invited to give its opinion on the attached 2018 Special Measure in favour of Iran for ‘Support to Sustainable Development in Iran’.



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This action is funded by the European Union

ANNEX

of the Commission Implementing Decision on the 2018 Special Measure in favour of Iran for
‘Support to Sustainable Development in Iran’

Action Document for Support to Sustainable Development in Iran

INFORMATION FOR POTENTIAL GRANT APPLICANTS

WORK PROGRAMME FOR GRANTS

This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012) in the following section concerning calls for proposals: 5.3.3

1. Title/basic act/ CRIS number	Support to Sustainable Development in Iran CRIS number: MIDEAST/2018/41032 financed under the Development Cooperation Instrument	
2. Zone benefiting from the action/location	Middle East, Islamic Republic of Iran	
3. Programming document	2018 Special Measure in favour of Iran	
4. Sector of concentration/ thematic area	Environment, trade-related assistance, drug demand reduction	DEV. Aid: YES
5. Amounts concerned	Total estimated cost: EUR 18 500 000 Total amount of EU budget contribution EUR 18 000 000 This action is co-financed by potential grant beneficiaries for an indicative amount of EUR 500 000.	
6. Aid modality and implementation modalities	Project Modality Indirect management with International Trade Center Indirect management with the entity to be selected in accordance with the criteria set out in section 5.3.2 Direct management – grants – call for proposals	
7 a) DAC codes	321 Industry 32130 Small and medium-sized enterprises (SME) development 44 % 331 Trade policy and regulations and trade-related adjustment	

	33110 Trade policy and administrative management			
	140 Water and sanitation			
	14010 Water sector policy and administrative management			
	14015 Water resources conservation (including data collection)			
	14050 Waste management/disposal			
	44 %			
	410 General environmental protection			
	41010 Environmental policy and administrative management			
	41020 Biosphere protection			
	41030 Biodiversity			
	41082 Environmental research			
	121 Health general			
	12191 Medical services			
	12 %			
	160 Other social infrastructure and services			
	16064 Social mitigation of HIV/AIDS			
b) Main Delivery Channel	World Trade Organisation – International Trade Centre 45001 Non-Governmental Organisations (NGOs) and Civil Society 20000 Public corporations 11003			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	X	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	X
	Gender equality (including Women In Development)	<input type="checkbox"/>	X	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input type="checkbox"/>	X
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input type="checkbox"/>	X	<input type="checkbox"/>
	Combat desertification	<input type="checkbox"/>	X	<input type="checkbox"/>
	Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	X	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagships	N/A			
10. SDGs	Main SDG Goals on the basis of section 4.1: Goal 8: Decent work and economic growth			

	<p>Goal 11: Sustainable cities and communities</p> <p>Secondary SDG Goals on the basis of section 4.1:</p> <p>Goal 3: Good health and well-being</p> <p>Goal 12: Responsible consumption and production</p> <p>Goal 15: Life on land</p>
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SUMMARY

This is the first Action to be developed based on the EUR 50 million bilateral allocation introduced by the Commission and the EEAS as part of the Mid-Term Review of the Development Cooperation Instrument in 2018. Following the informal EU leaders meeting in Sofia on 18 May 2018, the EU is taking steps to demonstrate its commitment to the Joint Comprehensive Plan of Action. This includes confidence-building measures such as strengthening ongoing sectoral cooperation with, and assistance to, Iran. The Action is further informed by the European Parliament resolution of 25 October 2016, which calls for re-engagement with Iran in technical areas that create positive precedents of EU-Iranian joint work.

The April 2016 Joint Statement¹ of HRVP Mogherini and Iran's Foreign Minister Mohammad Javad Zarif expresses the mutual intention to develop a broad and comprehensive agenda for bilateral cooperation and outlines the main areas of interest to the EU and Iran for deeper cooperation. This first Special Measure in favour of Iran aims to underpin these policy priorities, in line with the European Consensus on Development, by providing targeted support in the areas of Prosperity, Planet and People.

The Islamic Republic of Iran faces a number of challenges in its socio-economic development. While heavily reliant on the hydrocarbon industry, the economy fails to provide large parts of especially the young population with sustainable employment. Air pollution in major cities and CO₂ emission levels are among the highest in the world. Unsustainable water and land management contribute to soil erosion, desertification, shrinking wetlands and droughts. The use of opiates and amphetamine-type stimulants has been expanding and contributed to the spread of HIV and a significant share of incarcerations. In recognition of these challenges, Iran's sixth National Development plan (2016-2021) emphasises market-based reforms and environmental issues to build a resilient economy.

The EU intends to support these reforms through the present Special Measure, which is the first of its kind benefitting Iran. To contribute to inclusive economic growth, this measure includes trade-related technical assistance and support to SMEs and value chain development (**Prosperity**). Environmental challenges will be addressed through projects implementing new methods and technologies in areas afflicted by environmental degradation, including systems strengthening and support to the design and implementation of national strategies (**Planet**). A third component of this measure will strengthen the prevention, treatment, and rehabilitation of substance abusers as well as services for users infected with HIV or suffering from AIDS (**People**).

¹ [http://europa.eu/rapid/press-release STATEMENT-16-1441 en.htm](http://europa.eu/rapid/press-release_STATEMENT-16-1441_en.htm)

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

In 2017, Iran had an estimated GDP of US\$439.5 billion and a population of 80.6 million people. Iran's economy is characterised by the hydrocarbon sector, agriculture and services sectors, and a strong state presence in manufacturing and financial services. Iran is the world's largest economy still outside the World Trade Organisation. The country is classified as an upper middle income economy and is not a country eligible under the General System of Preferences.

Iran's economy recorded a recovery in 2016 in line with the favourable expectations after the removal of the nuclear related sanctions. In the second quarter of 2016, exports to Europe had increased by nearly 10 times to just below EUR 2 billion compared to one year prior when EU nuclear-related restrictive measures were still in force. The subsequent economic slow-down as of 2017 may partly have been due to the uncertainty created by the US policy on Iran and exacerbated following the announcement on the re-imposition of US sanctions of 8 May 2018.

While Iran continues to be oil-dependent, further sizeable growth dividends are unlikely to be driven by the oil sector. Iran does not compare favourably with its peers in terms of productivity and the use of its labour force. The growth rate per worker is lower than in comparable countries, and at only 17.8 percent, Iran is among the countries with the lowest female labour force participation rates along with a few of its MENA peers.

Environmental degradation is a major problem. Air pollution, water scarcity, poor management of water resources and water pollution together with soil degradation and biodiversity loss, poor waste management, and sand and dust storms are important concerns for health, environment and sustainable economic development. Air pollution in Tehran is among the worst in the world. The World Bank estimates losses inflicted on Iran's economy as a result of environmental degradation amount to 8.8% of GDP.

Iran is an important transit and destination country for narcotics. While the use of opiates remains widespread, methamphetamine use has emerged as another drug of concern in recent years. A doubling of users in the past six years means that Iran has one of the gravest addiction crises in the world with severe social and economic problems in the most affected areas and among vulnerable groups.

Iran's Human Development Index (HDI) value for 2016 was 0.774, which is in the 'high human development' category, positioning the country at 69 out of 187 countries and territories. Life expectancy at birth is 75.6 years and mean years of schooling is 8.8 years.

1.1.1 *Public Policy Assessment and EU Policy Framework*

This measure builds on the April 2016 Joint Statement² of HRVP Mogherini and Iran's Foreign Minister Mohammad Javad Zarif, wherein the EU and Iran express a mutual intention to develop a broad and comprehensive agenda for bilateral cooperation, including on trade and investment, the private sector and SMEs, environment, and drugs.

² [http://europa.eu/rapid/press-release STATEMENT-16-1441_en.htm](http://europa.eu/rapid/press-release_STATEMENT-16-1441_en.htm)

This measure is in line with the European Consensus on Development³, the Commission Communication 'Achieving Prosperity through Trade and Investment'⁴, and the 2010 Communication and Council Conclusions on the EU's role in Global Health⁵.

The Islamic Republic of Iran has adopted a national strategy encompassing market-based reforms as reflected in the government's 20-year vision document and the sixth Five-Year National Development plan for the period 2016-2021. The Plan includes the development of a resilient economy and puts an unprecedented emphasis on environmental issues.

The proposed Action is also guided by the identified vulnerabilities and adaptation needs expressed in Iran's Intended Nationally Determined Contribution⁶ to UNFCCC, especially as far as regards water resources management, dust and sand storms, air pollution, floods and droughts, and drying wetlands. Iran's Revised National Biodiversity Strategies and Action Plan⁷ will also be supported, for example through reducing water pollution to sensitive water bodies, promoting good agroforestry practices, water resource conservation, and improved management of fragile coastal systems as a result of Integrated Coastal Zone Management strategies.

1.1.2 *Stakeholder analysis*

Prosperity: key stakeholders for component 1 - *Trade-related technical assistance, capacity building, and value chain development for inclusive and sustainable trade-led growth* - are the Ministry of Industry, Mining and Trade, Iran's Trade Promotion Organization (ITPO, which falls under the aforementioned ministry), Ministry of Agriculture, Ministry of Health, and other agencies dependent on the ministries mentioned, e.g. the Food and Drug Administration, Iran's Youth Chamber of Commerce, Iran's Small Industries and Industrial Parks Organisation (ISIPO) as well as the International Trade Center (ITC).. ITPO has requested specifically to ITC to provide trade-related technical assistance and together they have developed a series of proposed actions enshrined in a Memorandum of Understanding, all of which the project will support (see section 4.2). Final beneficiaries will be SMEs and in particular young entrepreneurs running high-potential SMEs, who will be assisted in accelerating their business ideas and to market and export their goods and services. ITPO is further a key counterpart in the EU-Iran expert meetings on Trade and Investment and the EU-Iran Regulatory and Industrial dialogue.

Planet: key stakeholders for component 2 - *Enhancing self-reliance in addressing water pollution and integrated water resources management, air pollution, waste management and soil degradation* - have been involved in technical exchanges on environment between the EU and Iran as part of the EU-Iran Administrative Arrangement on environment. These include the Department of Environment, the Department of Air Pollution, the Ministry of Energy and Water, the Alliance of Iranian Recycling Industries, the Forests Rangeland and Watershed Management Organization, and so on. Various needs have been expressed by these stakeholders, including on air pollution management linked to mobile sources, vehicle management, and transport management in cities, transboundary cooperation to combat sand

³ https://ec.europa.eu/europeaid/sites/devco/files/european-consensus-on-development-final-20170626_en.pdf

⁴ COM(2017) 667 of 13.11.2017

⁵ https://ec.europa.eu/europeaid/sites/devco/files/communication-eu-role-in-global-health-com2010128-20100331_en.pdf

⁶ <http://www4.unfccc.int/submissions/INDC/Published%20Documents/Iran/1/INDC%20Iran%20Final%20Text.pdf>

⁷ <https://www.cbd.int/doc/world/ir/ir-nbsap-v2-en.pdf>

and dust storms, soil degradation, emission inventories and better knowledge of sources that produce pollutants, (chemical) waste management and public awareness-raising, marine litter, etc. There is a consensus among stakeholders as regards the need for concrete projects to implement new strategies and tools. Discussions have shown that Iran is in need of support for the implementation and enforcement of policies as well as for the integration of the public and private sectors. EU public sector operators who have been involved in the exchanges confirm the need for concrete projects in addition to continued exchange of best practices and scientific evidence in such areas as air and water pollution, sand and dust storms, natural resources management, soil degradation, and waste management. The final beneficiaries will be the people of Iran and local communities suffering the consequences of environmental degradation.

People: key stakeholders for component 3 - *Strengthening service provision for drug use prevention, treatment and rehabilitation and HIV/AIDS care for injecting users* - include drop-in centres, medium-term residential rehabilitation centres, NGOs, and potentially the Drug Control Headquarters, pending a successful and timely launch of EU-Iran cooperation on drug-related matters (in the new EU Action Plan on Drugs 2017-2020, adopted by the Council in June 2017, Iran entered the list of countries with which the EU will seek closer cooperation). Final beneficiaries will be the vulnerable group of substance users – a group that increasingly includes younger adults and women.

Key stakeholders will come together during relevant EU-Iran sectoral dialogues and administrative arrangements on trade and investment, environment, and the planned cooperation on drug-related matters.

1.1.3 *Priority areas for support/problem analysis*

Prosperity: Iran has a reasonably strong industrial manufacturing base and significant agricultural and service sectors. However, with oil and gas accounting for a majority of exports, high unemployment, a skilled and young population, and a partly untapped economy, there is a need to diversify exports towards new sectors with trade potential. The government has requested trade-related technical assistance and capacity building to contribute to inclusive and sustainable trade-led growth, including by supporting small and medium-sized enterprises (SMEs). Diversifying the economy towards high growth sectors and markets is critical for future development, especially as US nuclear-related sanctions are reactivated. National capacity to provide better services to SMEs in clusters also needs to be built.

Planet: Climate change is expected to compound many of Iran's environmental challenges. High levels of air pollution are experienced in major cities and energy use intensity and per capita CO₂ emission levels are among the highest in the world. Unsustainable farming and land management practices contribute to reduced vegetation cover, soil erosion, desertification, shrinking wetlands and droughts, including through the overexploitation of water sources. Some rivers have dried out and some wetlands are disappearing. Many problems regarding marine environments can be attributed to oil-related activities as resultant pollution has caused significant damage to coral reefs, algal mats, mangroves and other habitats. The conservation and protection of Gulf reefs is essential to safeguard these unique ecosystems. The ecology of the Caspian Sea is also threatened by unsustainable exploitation of its bio-resources, pollution by those involved in the region and the impact of climate change. Rapid urbanisation, industrial pollution, waste disposal, overgrazing, deforestation, land degradation and soil erosion negatively affect biodiversity.

People: The national authorities estimate that there are over 1,325,000 opiate dependents in the country (2.26% of the adult population). The use of crystallized heroin is increasing and Amphetamine-Type Stimulants (ATS) have rapidly risen to become the second most important group of drugs used. Furthermore, the drug use problem has been expanding among larger groups in the society like younger adults and women. Drug use is closely linked to the transmission of HIV as well as to imprisonment. Nearly 15% of injecting drug users and 3-5% of people who use drugs through non-injecting routes are HIV-positive. About half of incarcerations are due to drug-related offences and half the inmates have used drugs prior to imprisonment.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Domestic, regional, and international political instability	H	All contracting is directly linked to Iran's continued adherence to the Joint Comprehensive Plan of Action
Difficulties transferring funds and products into Iran	H	Alternative financing vehicles to be considered (e.g. via UN agency to grant beneficiaries where needed)
Limited involvement and uneven interest from programme's key stakeholders	M	Activities to build on established EU-Iran dialogues and technical exchanges; integration of stakeholders in all parts of the planning and implementing process to assure sense of ownership
Limited capacities by actors on different administrative levels	M	Specific capacity building support to be provided at local level, in particular for actions related to trade promotion
Partners (entities or persons) are listed among EU restrictive measures (e.g. universities); violation of EU sectoral restrictive measures (e.g. export of dual-use goods)	M	Contracts with pillar-assessed organisations will be negotiated so as to exclude both violation of EU sectoral restrictive measures and the potential for EU support to any activities that in any way involve entities or persons under EU restrictive measures. In the case of Civil Society Organisations, thorough checks will be conducted as part of the evaluation process and Declarations of Honour will be signed by all selected grant beneficiaries not to in any way involve or cooperate with such entities.
Assumptions		
<ul style="list-style-type: none"> • Channels for technical cooperation between European and Iranian public and other actors remain open • Iran ensures the necessary human, financial and material resources to facilitate the implementation of projects as far as cooperation with national authorities is required • The targeted areas (sectoral, thematic, and geographic) continue to be accessible in terms 		

of local partners and sites

- The economic and trading environment in Iran remains favourable to exports for selected/concerned private actors
- No burdensome restrictions on travel/networking for stakeholders (national or non-national)
- Natural disasters do not affect project implementation
- Technical exchanges and cooperation between public sector and civil society actors (where concerned) remain non-sensitive and feasible

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

This is the first bilateral allocation for Iran and covers areas on which there has previously been little or no cooperation between the EU and Iran. Lessons learned are therefore very limited at this point in time, notably as regards cooperation on trade.

As concerns environmental projects, bringing in experiences from regional projects in the area of environment and climate change mitigation, notably from the Southern Neighbourhood and Central Asia is expected to have tangible benefits. This includes green economy projects under the regional SWITCH Asia programme.

As concerns drugs and HIV, Iran has established many successful programmes for addressing these problems in the various areas of prevention, treatment and care in communities and prisons. Many communities benefit from outreach programmes, drop-in centres and other initiatives, and NGOs are actively involved in programme implementation and service delivery. Moreover, Iran is a pioneer country in the fields of opium substitution therapies, HIV prevention, and treatment of AIDS, and successful HIV prevention and treatment programmes are being rolled out in the prison setting. Nonetheless, an urgent need remains to expand existing programmes and introduce new programmes for a proper response to the problem of HIV and drug use in the country as well as for further review and reform of systems, structures and skillsets.

3.2 Complementarity, synergy and donor coordination

This measure comprises the first projects to take place in Iran as part of a bilateral allocation from the EU budget. Each proposed project is a follow-up to established EU-Iran dialogues or administrative arrangements (to be established in the case of drugs).

Migration and forced displacement: The regional Special Measure 2017 and 2018 on "Addressing migration and forced displacement challenges in Asia and the Middle East: a comprehensive regional EU Response" includes activities in support of Afghan refugees in health, education, and livelihoods in Iran for an indicative amount of EUR 31 million to be contracted in 2018 (excluding some further regional projects). Delivery channels are UNHCR, UNICEF, ICMPD, and civil society organisations and the implementation period is 2 to 4 years depending on the project. Significant attention is paid to building the nexus between humanitarian and development interventions in the field as the EU's humanitarian aid instrument remains engaged.

Civil nuclear cooperation: The Commission is in charge of civil nuclear cooperation under annex 3 of the Joint Comprehensive Plan of Action (JCPOA). The Commission supports Iran's National Regulatory Authority (INRA) and the Bushehr power plant and will also support the setting up of a Nuclear Safety Centre. Verification activities within the framework

of the JCPOA will also be performed in 2018 with EU support. EUR 5 million has been committed and EUR 6.5 million is foreseen for 2018.

Civil Society Organisations: Civil society actors may apply for grants under (in the recent past) biennial calls for proposals targeting mainly inclusive social and economic development, including through strengthening civil society stakeholders. EUR 2.5 million is under implementation and EUR 3 million is expected to be contracted in 2018.

Global Public Goods and Challenges: On trade-led growth and international partnerships, Iran will benefit from EUR 2 million under the Action "Investing in Culture and Creativity" (DCI-HUM/2017/040-622), which includes support to cultural and creative industries, to be contracted in 2018.

Drugs: Iran is eligible for short-term TA and further involvement in the (trans-) regional activities of project EU-ACT (EU Action against Drugs and Organised Crime. No EU-financed TA has been provided to Iran since the Heroin Route Programme (IcSP, 2008-2015). Iran also benefits from a UNODC-implemented regional programme in support of counter-narcotics and counter-trafficking efforts in Afghanistan and neighbouring countries, which the EU has co-funded with EUR 8 million (phases I and II).

Other significant donors are absent except in the area of migration and forced displacement (Germany, Sweden, Denmark, Norway) and agriculture (Japan).

3.3 Cross-cutting issues

The activities will contribute directly to improved environmental management.

This action will be implemented following a rights-based approach, encompassing all human rights, with a focus on groups and minorities including women and children who are in vulnerable situations, such as communities particularly affected by environmental degradation or drug addiction. The five working principles below will be applied at all stages of implementation: legality, universality and indivisibility of human rights; participation and access to the decision-making process; non-discrimination and equal access; accountability and access to the rule of law; transparency and access to information.

Where possible, the programme activities will prioritise gender equality and the participation of women. Activities where women are involved will be encouraged, in particular with regards to SMEs and trade, but also with respect to community efforts in order to tackle environmental challenges where applicable. The Guidelines in the foreseen Calls for Proposals will include criteria aiming at the full participation of and maximum benefit for women.

All three components of the action contribute to granting access to the right to a standard of living adequate for the health and well-being of himself and of his family, including food, as stated in Art 25 of the UN Universal declaration of Human rights.

Finally, through the measure's focus on regulatory reforms, institutional support and capacity building at national and local levels, good governance will be fully promoted.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

In line with the European Consensus on Development priorities on Prosperity, Planet and People, and on the basis of the mutually agreed priorities identified in the Joint Declaration of

16 April 2016, the overall objective of this Special Measure is to support Iran in achieving sustainable economic and social development.

Prosperity: The Specific Objective of **component 1** is increased and diversified trade in goods and services. The indicative outputs are:

- 1.1 Trade policy, market intelligence, investment framework, and mechanisms for addressing bilateral trade irritants are improved;
- 1.2 Inclusive access to markets and/or value chains is improved;
- 1.3 Capacity for business innovation and entrepreneurship, including on sustainable and digital solutions is increased;

Planet: the Specific Objective of **component 2** is the decoupling of economic growth from environmental degradation. The indicative outputs are:

- 2.1.1 Air quality plans are implemented at national, regional and local level
- 2.2.1 Waste management plans are implemented at national, regional and local level;
- 2.2.2 Less waste is produced and dumping of waste is reduced;
- 2.3.1 River basin, flood and drought, wetlands, and other water resources management plans are implemented at national, regional and local level;
- 2.4.1 Plans relating to resource efficient and biodiversity-preserving agricultural practices are implemented at national, regional and local level;
- 2.4.2 Soil quality indicators are improved;
- 2.5.1 The awareness, knowledge and capacities of policy makers and other stakeholders on sustainable resources management, resource efficiency and Inclusive Green Economy issues is improved;

People: the Specific Objective of **component 3** is comprehensive and evidence-based drug use prevention, treatment, rehabilitation and social reintegration. The indicative outputs are:

- 3.1 Tailor-made drug treatment programmes are introduced and/or strengthened, with special emphasis on women, children and Amphetamine-Type Stimulants and poly-drug users;
- 3.2 The coverage and quality of HIV prevention, treatment and care and harm reduction services for people who use and/or inject drugs is expanded and enhanced;
- 3.3 National, regional and international networking on HIV/AIDS and harm reduction and for knowledge sharing and dissemination of stigma-free advocacy messages is supported;

This programme is relevant for the Agenda 2030. It contributes primarily to the progressive achievement of SDG Goals 8 and 11, but also promotes progress towards Goals 3, 12 and 15. This does not imply a commitment by the country benefiting from this programme.

4.2 Main activities

Prosperity: the indicative main activities of component 1 are:

- Supporting the design and implementation of a National Export Strategy (NES), building on an Export Potential Assessment (EPA) and a business survey on regulatory and procedural trade barriers in goods and services;
- Improving the Iran Trade Promotion Organization's (ITPO) managerial and operational performance through Benchmarking, to deliver effective and efficient services to SME clients;
- Market analysis capacity building for SMEs, ITPO staff and Government officials and Customization of trade intelligence tools;
- Supporting the development of two value chains with high export potential;
- Implementing a Youth Trade Accelerator Programme in support of youth-owned enterprises.

Planet: the indicative main activities of component 2 are:

- Improving the knowledge-base on air pollution and its impact on human health and the environment;
- Implementing national air quality monitoring system and emissions inventories and building air modelling capacity (including for sand and dust storms);
- Improving water governance, including defining and implementing (transboundary) Integrated Water Resources Management principles and measures (including with a Nexus approach), as well as specific measures for cooperation across administrative borders involving national, regional and local authorities, stakeholders, private sector and NGOs, River basin Management Plans, water scarcity and sustainable use of groundwater and aquifers, water ecosystems and wetlands, drought and flood risk management, and water in urban areas;
- Developing and implementing strategies for Integrated Coastal Zone Management (Caspian Sea and Gulf);
- Developing and implementing a National Waste Policy and a National Waste Management Plan (linked to regional and municipal levels), including strengthening the operational and managerial capacity of municipal waste management organisations and supporting accompanying monitoring systems and designing appropriate incentives, and increasing public awareness and engagement toward zero waste;
- Developing and implementing strategies and initiatives to protect forest, biodiversity, and wetlands and to combat deforestation, desertification and land degradation;
- Developing and implementing good agricultural practices that contribute to sustainable land and resource use and protection of biodiversity, including in areas such as agroforestry, irrigation, soil and water conservation, and combatting desertification.

People: the indicative main activities of component 3 are:

- Strengthening and expanding drug treatment programmes, with special emphasis on vulnerable people, women, children/young people and amphetamine-type stimulants and poly-drug users;

- Expanding and enhancing coverage and quality of HIV/AIDS prevention, treatment and care, and harm reduction services for people who use drugs and accompanying services for care-providers within their families and communities;
- Upgrading the evidence-based social and clinical response to drug use trends in Iran through engaging stakeholders in regional and international platforms and forums.

4.3 Intervention logic

4.3.1 **Prosperity:** *Trade-related technical assistance, capacity building, and value chain development for inclusive and sustainable trade-led growth*

If technical assistance and capacity building is provided to the country's trade promotion agency, then this should enhance the national capacity to assess, develop, and implement a policy aiming at export promotion. If development of a selection of value chains with export potential is successful, then concrete opportunities for validating the success of this policy are created. If tailor-made support to young entrepreneurs through a local trade accelerator programme is provided, then this will help them make the strategic choices needed to strengthen their competitiveness, better understand the international market environment, best practices, potential risks and related risk management strategies, develop business expansion plans, and build linkages with potential buyers, partners and investors.

4.3.2 **Planet:** *Enhancing self-reliance in addressing water pollution and integrated water resources management, air pollution, waste management and soil degradation*

Technical support, transfer of knowledge, and concrete projects that deliver targeted solutions to environmental degradation in partnership with key stakeholders both at the policy and at the community level in the country will increase the country's self-reliance in terms of adequately addressing such challenges nation-wide in the future. Strengthened institutional capacity is essential for sustainable policies both at central and local levels to foster the sustainability of the intervention. With a greater ability to address environmental degradation and mitigate further degradation resulting from human activity, sustainable economic growth that does not come at the cost of certain communities should be enabled.

4.3.3 **People:** *Strengthening service provision for drug use prevention, treatment and rehabilitation and HIV/AIDS care for injecting users*

Additional resources are needed to address one of the world's most severe substance abuse epidemics. Society-wide drug demand and harm reduction can only be realised on the basis of evidence-based, high quality service provision in the areas of prevention, treatment, and rehabilitation. High HIV/AIDS prevalence among substance users is a particularly harmful consequence that makes those affected highly vulnerable to a range of health-related, social, and economic problems.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.1 will be carried out and the corresponding contracts and agreements

implemented, is 60 months from the date of adoption by the Commission of this Action Document.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3 Implementation modalities

Both in indirect and direct management, the Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures affecting the respective countries of operation⁸.

5.3.1 Prosperity: *Trade-related technical assistance, capacity building, and value chain development for inclusive and sustainable trade-led growth*

5.3.1.1 Indirect management with an international organisation

A part of this action may be implemented in indirect management with the International Trade Center in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails supporting the design and implementation of a National Export Strategy (NES), improving Iran Trade Promotion Organization (ITPO) managerial and operational performance, development of two prioritised value chains, market analysis capacity building for SMEs, ITPO staff and Government officials, customisation of trade intelligence tools, and conducting a Youth Trade Accelerator Programme in support of youth-owned enterprises. This implementation is justified because of International Trade Center's technical expertise and demonstrated history of working with ITPO in the past on the basis of a Memorandum of Understanding, which secures national involvement and ownership.

The entrusted entity would carry out the following budget-implementation tasks: launching calls for tenders and for proposals; definition of eligibility, selection and award criteria; evaluation of tenders and proposals; award of grants, contracts and financial instruments; acting as contracting authority concluding, monitoring and managing contracts, carrying out payments, and recovering moneys due.

The entrusted international organisation is currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012. The Commission's authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the international organisations can be entrusted with budget-implementation tasks under indirect management.

5.3.2 Planet: *Enhancing self-reliance in addressing water pollution and integrated water resources management, air pollution, waste management and soil degradation*

5.3.2.1 Indirect management with a Member State Organisation

This action may be implemented in indirect management with (an) entity(-ies) which will be selected by the Commission's services using the following criteria: the entity(-ies) selected

⁸ https://eeas.europa.eu/sites/eeas/files/restrictive_measures-2017-04-26-clean.pdf

will be (a) pillar-assessed Member State Organisation(s) specialised in relevant areas of international cooperation on environment and/or development. It (They) will further be guided by the EU-Iran Administrative Arrangement on a Framework for technical cooperation on the environment in the development of the action, in close coordination with relevant Iranian authorities and Commission services. For coordination purposes, the Commission will seek to contract with one pillar-assessed Member State Organisation or with a consortium of Member State Organisations with a pillar-assessed member State Organisation as lead partner. It is expected that non-pillar assessed EU Member State Organisations will be able to participate in the action, where relevant, also where they do not enter into a contractual relationship with the Commission.

The implementation by this (these) entity (-ies) entails implementing pilot projects that contribute to enhancing Iran's self-reliance in the areas of addressing water pollution and integrated water resources management, air pollution, waste management and/or soil degradation. The projects will contribute to the Specific Objective of component 2 of this Action and the relevant results outlined in section 4.1. Projects will include activities outlined in section 4.2. Projects must be implemented in close coordination with relevant national or local authorities and other concerned stakeholders, including the private sector and civil society actors where relevant. They must also be developed and implemented in close coordination with the Commission. Overall, the proposal should have an EU perspective and highlight EU and Iranian mutual interest and benefit and serve the implementation of the EU-Iran Roadmap on environment.

The entrusted entity would carry out the following budget-implementation tasks: launching calls for tenders and for proposals; definition of eligibility, selection and award criteria; evaluation of tenders and proposals; award of grants, contracts and financial instruments; acting as contracting authority concluding, monitoring and managing contracts, carrying out payments, and recovering moneys due. **This section has been written in anticipation of the new Financial Regulation. It may be revised further once the Financial Regulation is adopted.**

5.3.3 **People:** *Strengthening service provision for drug use prevention, treatment and rehabilitation and HIV/AIDS care for injecting users*

5.3.3.1 **Grants: call for proposals (direct management)**

(a) Objectives of the grants, fields of intervention, priorities of the year and expected results

A single call for proposals will be launched to finance projects aiming at comprehensive and evidence-based drug use prevention, treatment, rehabilitation and social reintegration, with special emphasis on high-risk groups. In support of their social and economic reintegration, projects that enhance occupational skills and/or provide relevant technical training to the target population will also be considered.

For objectives/results and indicative main activities, see section 4.1 and 4.2.

(b) Eligibility conditions

In order to be eligible for the grant, applicants must:

- be legal persons **and**
- be a member state agency, non-governmental organisation, public sector operator, local authority, international research organisation, university or university related

organisation or an international (inter-governmental) organisation as defined by Article 43 of the Rules of Application to the EU Financial Regulation⁹ **and**

- be established in¹⁰ a Member State of the EU or an eligible nation as per Article 9 (DCI) of the Regulation (EU) 236/2014 (CIR) (This obligation does not apply to international organisations) **and**
- be directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not acting as an intermediary.

Subject to information to be published in the call for proposals, the indicative amount of the EU contribution per grant is EUR 1 000 000 to EUR 2 000 000 and grants may be awarded to sole beneficiaries and to consortia of beneficiaries (coordinator and co-beneficiaries). The indicative duration of the grant (its implementation period) is 24 to 36 months.

(c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for grants under this call is 80 %.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative timing to launch the call:

First trimester of the year 2019.

5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other

⁹ International organisations are international public-sector organisations set up by intergovernmental agreements as well as specialised agencies set up by them; the International Committee of the Red Cross (ICRC) and the International Federation of National Red Cross and Red Crescent Societies, European Investment Bank (EIB) and European Investment Fund (EIF) are also recognized as international organisations.

¹⁰ To be determined on the basis of the organisation's statutes which should demonstrate that it has been established by an instrument governed by the national law of the country concerned. In this respect, any legal entity whose statutes have been established in another country cannot be considered an eligible local organisation, even if the statutes are registered locally or a "Memorandum of Understanding" has been concluded.

duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.5 Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution (amount in EUR)
5.3.1 Prosperity: <i>trade-related technical assistance, capacity building, and value chain development for inclusive and sustainable trade-led growth</i> Indirect management with an international organisation	8 000 000	0
5.3.2 Planet: <i>enhancing self-reliance in addressing water pollution and integrated water resources management, air pollution, waste management and soil degradation</i> Indirect management with (a) Member State Organisation(s)	8 000 000	0
5.3.3 People: <i>strengthening service provision for drug use prevention, treatment and rehabilitation and HIV/AIDS care for injecting users</i> Grants: call for proposals (direct management)	2 000 000	500 000
Total	18 000 000	500 000

5.6 Organisational set-up and responsibilities

- **Prosperity:** component 1 will be coordinated jointly by the International Trade Center and Iran's Trade Promotion Organization, with support and guidance from the European Commission as needed, notably as part of EU-Iran expert meetings on Trade and Investment. Synergies will also be sought with the EU-Iran Regulatory and Industrial Dialogue, in particular as far as the area of support to SMEs in clusters is concerned.
- **Planet:** component 2 will be coordinated with stakeholders under the EU-Iran Administrative Arrangement on environment that provides a framework for cooperation with the concerned Iranian authorities (notably the Ministry of Energy and Water, the Department of Environment, other national departments and local authorities in Tehran and other cities) and in close coordination with Commission services.
- **People:** for component 3, as soon as established, the EU-Iran cooperation on drug-related matters will provide the framework for the concerned Iranian authorities (notably Drug Control Headquarters) and Commission services to coordinate and guide the design of the call for proposals and the implementation of grants.

The Commission will supervise the implementation of project activities and their adaptation also in light of the evolving political situation.

5.7 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partners' responsibilities. To this aim, the implementing partners shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) or the list of result indicators (for budget support). The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.8 Evaluation

Having regard to the importance of the action, a final evaluation will be carried out for this action or its components via (an) implementing partner(s).

A final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision) taking into account in particular the fact that this is an innovative action and a pilot being tested.

The Commission shall inform the implementing partner at least one month in advance of the dates foreseen for the evaluation missions. The implementing partners shall collaborate efficiently and effectively with the evaluation experts, and *inter alia* provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partners and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The financing of the evaluation shall be covered by another measure constituting a financing decision.

5.9 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by another measure constituting a financing decision.

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY) ¹¹

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year) ¹²	Sources and means of verification	Assumptions
Overall objective: Impact	1 Sustainable economic and social development	1 Annual growth rate of real GDP per employed person (Percentage) 2 Economic loss as a proportion of GDP from environmental degradation and climate change - average over last ten years** 3 Drug use among the adult population (Disaggregated by sex and age)	1 - 3 TBC	1 – 3 TBC	1 Data source: SDG indicator database 2 Data source: World Bank 3 Data source: UNODC	
Specific objective(s): Outcome(s)	1 Increased and diversified trade in goods and services 2 Decoupling of economic growth from environmental degradation 3 Comprehensive and	1.1 Export concentration index (Score) 1.2 Value of exports/Export as % of GDP (Currency or Percentage) 1.3 Value added of selected value chains (% GDP) (Percentage) 2.1 Water productivity (GDP/annual total	1 – 3 TBC	1 – 3 TBC	1 Data source: ITC 2 Project M&E system (to be measured at the component	Increases in trade and diversification of exports are significant Environmental interventions/policies are operationalised/implemented across wider concerned areas or nation-wide

¹¹ Mark indicators aligned with the relevant programming document with '*' and indicators aligned to the EU Results Framework with '**'.

¹² Where indicated as TBC, baselines and targets will be provided during the inception phase of the respective components, subject to the requirements of the new Financial Regulation.

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year) ¹²	Sources and means of verification	Assumptions
	evidence-based drug use prevention, treatment, rehabilitation and social reintegration	<p>freshwater withdrawal) (USD/m3)</p> <p>2.2 Waste generated (per capita or sector) and treated by type of waste and treatment type (kg per capita per year)</p> <p>2.3 # of intervention supported Inclusive Green Economy policy instruments adopted/implemented (Number of policy instruments)</p> <p>3.1 Coverage of high-quality/evidence-based prevention/treatment/rehabilitation programmes (Percentage of population of concern)</p> <p>3.2 % of HIV-positive population who are infected through unsafe drug injecting practices (Disaggregated by sex and age)</p>			<p>level)</p> <p>3 Data source: UNODC</p>	Services are available to the targeted population/vulnerable groups/those most at risk
	<p>Outputs: SO1</p> <p>1.1 Trade policy, market intelligence, investment framework, and mechanisms for addressing bilateral trade irritants are improved;</p> <p>1.2 Improved and inclusive access to markets and/or value chains</p> <p>1.3 Increased capacity for business innovation and entrepreneurship, including on sustainable</p>	<p>1.1.1 # of trade-related policies, regulations or legislations developed, adopted, and implemented</p> <p>1.1.2 # of state-of-the-art trade related data analysis tools embedded in ITPO decision-making process</p> <p>1.1.3 # of public officials trained in relevant trade topics who can demonstrate an increased knowledge in these areas (Disaggregated by sex, age, work sector and other relevant groups)</p> <p>1.2.1 # of new (formal or informal) MSMEs linked to new value chains (national or international), disaggregated by sector and sex of MSME owner/head</p>	<p>1.1.1 – 1.2.2 TBC</p>	<p>1.1.1 – 1.2.2 TBC</p>	<p>1.1.1 – 1.3.2 Project M&E system</p>	<p>The economic and trading environment in Iran remains favourable to exports for selected/concerned private actors</p> <p>The main national stakeholder remains committed to the project/MoU signed with the international organisation/implementing partner</p> <p>Iran ensures the necessary human, financial and material resources to facilitate the implementation of projects as far as cooperation with national authorities is required</p>

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year) ¹²	Sources and means of verification	Assumptions
	and digital solutions	<p>1.2.2 # of people befitting from value chain development who can demonstrate/report increased ability to market and export goods to foreign markets (Disaggregated by sex and age)</p> <p>1.3.1 # of people befitting from SME accelerator who can demonstrate/report increased ability to market and export goods to foreign markets (Disaggregated by sex and age)</p> <p>1.3.2 # of firms or individuals that utilise business development services supported by intervention, (Disaggregated by type of service, type of entity, firm size, and sex)</p>				
	<p>Outputs: SO 2</p> <p>2.1.1 Air quality plans are implemented at national, regional and local level</p> <p>2.2.1 Waste management plans are implemented at national, regional and local level</p> <p>2.2.2 Less waste is produced and dumping of waste is reduced</p> <p>2.3.1 River basin, flood and drought, wetlands, and other water resources management plans are implemented at national,</p>	<p>2.1.1 # of national/regional/local management plans or strategies developed, adopted, and implemented</p> <p>2.2.1 # of national/regional/local management plans or strategies developed, adopted, and implemented</p> <p>2.2.2 Waste generated and treated by type of waste (per capita or sector/year) in community or sector supported by the intervention</p> <p>2.3.1 # of national/regional/local management plans or strategies developed, adopted, and implemented</p> <p>2.4.1 # of national/regional/local management plans or strategies developed, adopted, and implemented</p>	2.1.1 – 2.5.1 TBC	2.1.1 – 2.5.1 TBC	2.1.1 – 2.5.1 Project M&E system (to be measured at the component level)	<p>Channels for technical cooperation between European and Iranian public and other actors remain open</p> <p>The targeted areas (sectoral, thematic, and geographic) continue to be accessible in terms of local partners and sites</p> <p>Iran ensures the necessary human, financial and material resources to facilitate the implementation of projects as far as cooperation with national authorities is required</p> <p>Natural disasters do not affect project implementation</p>

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year) ¹²	Sources and means of verification	Assumptions
	<p>regional and local level</p> <p>2.4.1 Plans relating to resource efficient and biodiversity-preserving agricultural practices are implemented at national, regional and local level</p> <p>2.4.2 Soil quality indicators are improved</p> <p>2.5.1 The awareness, knowledge and capacities of policy makers and other stakeholders on sustainable resources management, resource efficiency and Inclusive Green Economy issues is improved</p>	<p>2.4.2 Selected soil quality indicators</p> <p>2.5.1 # of public officials trained in relevant sustainability and Inclusive Green Economy topics who can demonstrate an increased knowledge in these areas (Disaggregated by sex, age, work sector and other relevant groups)</p>				
	<p>Outputs: SO 3</p> <p>3.1 Tailor-made drug treatment programmes are introduced and/or strengthened, with special emphasis on women, children and Amphetamine-Type Stimulants and poly-drug users</p> <p>3.2 The coverage and quality of HIV prevention, treatment and care and harm reduction</p>	<p>3.1 # of persons who have successfully taken part in treatment and rehabilitation programmes (Disaggregated by sex and age)</p> <p>3.2 AIDS-related mortality among participants in treatment programmes (Disaggregated by sex and age)</p> <p>3.3.1 # of drug demand reduction-related events and campaigns organised by the project (Number of events)</p> <p>3.3.2 # of drug-related HIV/AIDS and harm reduction policy/advocacy/awareness related events organised by the project</p>	<p>3.1 - 3.3.2 TBC</p>	<p>3.1 - 3.3.2 TBC</p>	<p>3.1 - 3.3.2 Project M&E system (to be measured at the component level)</p>	<p>No burdensome restrictions on travel/networking for stakeholders (national or non-national)</p> <p>Technical exchanges and cooperation between public sector and concerned civil society actors (where concerned) remains non-sensitive and feasible</p> <p>HIV/AIDS care does not become a no-go area for public events and policy dialogue</p>

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year) ¹²	Sources and means of verification	Assumptions
	<p>services for people who use and/or inject drugs is expanded and enhanced;</p> <p>3.3 National, regional and international networking on HIV/AIDS and harm reduction and for knowledge sharing and dissemination of stigma-free advocacy messages is supported</p>					