

## FINAL NARRATIVE REPORT

### 1. Description

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1.1 Name of beneficiary of grant contract:	<b>Living Earth Foundation</b>
1.2 Name and title of contact person:	<b>Edgardo García Larralde, Senior Associate</b>
1.3 Name of partners in the action:	<ul style="list-style-type: none"><li>• <b>Centre for Sustainable Development and the Environment (CENESTA).</b></li><li>• <b>Institute of Petroleum Engineering (IPE) (partner for the first 18 months of the project)</b></li></ul>
1.4 Title of the action:	<b>Dialogue and Development in Iran: Building Multi-Stakeholder Alliances</b>
1.5 Contract number:	<b>NSA-PVD/2009/200-446</b>
1.6 Start date and end date of reporting period:	<b>01 January 2010 - 31 December 2013</b>
1.7 Target country:	<b>Iran</b>
1.8 Final beneficiaries and target groups:	<ul style="list-style-type: none"><li>• <b>Final beneficiaries:</b> the inhabitants of Asalouyeh, particularly the most vulnerable and socially excluded groups</li><li>• <b>Target groups:</b> approximately 8000 vulnerable persons, including young people, unemployed, traditional communities, women, people living with health problems, disabilities; 300 members of community-based organisations and NGOs; 280 members of local authorities and private business personnel</li></ul>

### 2. Assessment of implementation of Action activities

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#### *2.1 Executive summary of the Action*

During the implementation of the project, significant socio-political events took place in Iran and important changes occurred in geopolitical dynamics centred on that country. In order to evaluate the project's results and impacts adequately, it is imperative to understand those processes and their effects on project implementation, as well as the measures taken to respond and adapt to the changed operating context. At the start of the project in January 2010, full diplomatic relations existed between the UK and Iran, with functioning embassies in both countries, and several major international oil and gas companies operating in Iran at the time had expressed willingness to support the project. Suspicion towards activities of foreigners in the country – always a potential issue in Iran – was subdued. Access to the project area by Living Earth Foundation (LEF) and project partners had to be authorized on every occasion by senior managers of the Pars Special Economic Energy Zone (PSEEZ), but was not a major issue.

However, the internal and international repercussions of the mass demonstrations and protests that followed the Iranian presidential election of June 2009 and the consequences of their repression by the Iranian government, were already beginning to affect project implementation in 2010 (as an example, the LEF project manager, holder of a Venezuelan passport, was only awarded single-entry visas by the Iranian authorities from 2010 onwards, having received 6-month and even 12-month multiple-entry visas in 2008 and 2009). Working relations with key Iranian stakeholders in government and in the oil and gas industries also began to change, as the activities of foreigners in Iran came under renewed scrutiny in the context of the increased hostility that characterized Iran's deteriorating relations with the USA and Europe following the events mentioned. In

parallel, the threat of US sanctions against companies operating in Iran led to the decision of the European oil and gas companies active in the country to cancel their operations in Iran (Shell, Total and Statoil, among others, pulled out of major projects they were undertaking with Iranian partners in Asalouyeh; US companies had not been operating in Iran for many years because of the US sanctions). Iranian decision-makers and senior managers associated with the project became very cautious in their contacts and relations with the project and with LEF; many of them privately expressed their understanding and support regarding the project's aims and activities, while abstaining from making formal commitments and public endorsements.

The situation deteriorated further in late 2011 and early 2012, when the USA and the European Union approved legal measures that tightened existing sanctions against Iran, significantly affecting Iran's financial institutions and transactions, as well as vital oil exports. A climate of heightened suspicion and tension emerged in relations between Iran on one hand, and European and US actors on the other. The new measures directed against Iran even affected initiatives supported by the EU, such as our project, obliging LEF to provide prior notification to the UK Treasury Department every time a transfer of project funds to our Iranian partners was made. The attack on UK embassy installations in Tehran in early December 2011 and the subsequent decision of the UK government (in January 2012) to order the closure of the Iranian Embassy in London and the expulsion of Iranian diplomats, were highlights of the changed context in which our project was operating. Within LEF, the tense situation in Iran, the climate of suspicion and reinforced scrutiny surrounding relations with the country (in the UK, the USA and Europe), and the uncertainty regarding the possibility of further sanctions that could affect project implementation, led us, in early 2012, to consider cancelling the project under 'force majeure' criteria. In this sensitive and complex operating environment, the excellent working relations that our Iranian partner CENESTA had managed to establish with key stakeholders in the Iranian oil and gas industry and government, played a major role in ensuring project continuity. In effect, during June and July 2012 CENESTA informed LEF that continued support for the project had been confirmed from key Iranian stakeholders and decision-makers, and that the Institute for International Energy Studies (IIES) had ratified their commitment to co-finance the project (which had been made formally in 2011) and had initiated their co-financing contributions. After carefully weighing conditions and options, following CENESTA's guidance and taking into account the information provided by LEF's EU counterpart, LEF decided to adapt the project to the changed conditions as best possible, and to adopt a cautious approach and lower LEF profile in our work in Iran. Consequently, proposed modifications to the original project were formally submitted to our EU counterpart, which were aimed at continuing project implementation in the changed context. The modifications included a 12-month 'no-cost' extension, the inclusion of new activities by LEF and a change in the schedule of project activities. The modifications proposed to the initial project were approved by the EU in December 2012 and included in the Grant Contract as 'Amendment 1'.

The role of the Institute of Petroleum Engineering (IPE) of the Faculty of Engineering of the University of Tehran consisted primarily of helping to establish initial relations with key stakeholders and decision makers within the Iranian oil and gas industries and associated government agencies, and was limited to the first 18 months of project implementation. On the basis of the initial bridge-building facilitated by the IPE, CENESTA directors and senior staff developed trust-based working relations with senior PSEEZ managers and other key stakeholders, quite rapidly. These links, together with the constructive relationships developed by LEF with key Iranian public and private sector actors from 2007 onwards, ensured access to the project area under the changed circumstances of increased tension previously described. CENESTA's commitment to support positive change and their experience in community promotion played a key role in engaging local stakeholders, enabling project staff to develop constructive, trust-based

relations with leaders and members of community organisations and local authorities in the Asalouyeh region. CENESTA's actions with national-level and local stakeholders also contributed to support and consolidate the relations that LEF had developed over the years, and to facilitate understanding of, and support for, the idea that European Union support for sustainable development initiatives in Iran was both legitimate and useful. Under the circumstances, this was a significant feat. The processes briefly outlined above played a decisive role in ensuring the success of the project.

Project intervention logic was premised on two closely linked, fundamental ideas: 1) a necessary condition for poverty reduction and sustainable local development is trust and cooperation between local stakeholders (community organisations, local authorities, community leaders) and decision-makers in the oil, gas and other industries and government agencies active in Asalouyeh; and 2) the necessary foundation of effective action for poverty reduction in the context of sustainable development, is increased understanding, shared among the key stakeholders mentioned, of the social and environmental impacts and effects, as well as the opportunities, associated with the operations of the oil and gas companies and other industries in Asalouyeh. In correspondence with these two conceptual 'pillars', a key cluster of project activities throughout project implementation was aimed at promoting, facilitating and coordinating bridge-building activities between senior managers and government officials associated with the oil and gas industries, and community leaders, local authorities and community organisations in Asalouyeh. Another cluster, closely associated with the activities previously outlined, consisted of activities centred on sharing, analysing and debating information about the environmental and social problems and issues affecting communities and other local stakeholders, and their possible solutions. These were initially carried out with the different stakeholder groups separately, and later on in multi-stakeholder workshops where the exchange of views and ideas led to shared aims and action plans. The success of these activities, carried out with patience and sensitivity by CENESTA with LEF support, enabled the achievement of significant project results. It facilitated the development of trust and constructive working relations between key representatives of stakeholder groups from two different 'worlds', who had little knowledge or understanding of each other's expectations and needs and practically no previous experience of working together. Community leaders and local authorities had become frustrated by their lack of access to senior corporate managers and officials responsible for making decisions that affected them directly, and were quick to embrace the new opportunities offered by the project for dialogue with these actors. On the other hand, the oil gas and other industries in Asalouyeh did not know how to engage with communities and other local stakeholders; the decision makers and senior managers of the PSEEZ and other oil and gas companies operating in the region, as well as government officials, were mistrustful of demands made by community leaders and local authorities, which they tended to view as 'nuisances'. Through a series of meetings, discussions and workshops led by CENESTA and LEF during most of 2011, each side came to understand that the challenges and problems it faced could not be resolved satisfactorily without contributions from the 'other'. As a result, both sides came to see each other as indispensable partners in shared objectives of sustainable local and regional development.

With LEF support, CENESTA facilitated the participatory assessment of social, economic and environmental issues and problems affecting local communities. These exercises were initially carried out with local community actors, including members of the most vulnerable social groups, and were later expanded to include technical staff and senior managers of the PSEEZ and other industries operating in Asalouyeh. A key role played by LEF throughout the project cycle consisted of presenting relevant international experiences of multi-stakeholder engagement in addressing the challenges and opportunities associated with the management of the impacts and long-term effects of the operations of oil and gas companies on local communities and natural environments.

During 2010 and 2011, in meetings and workshops with different stakeholder groups, LEF presented information about experiences in the North Sea, Venezuela, Nigeria, Russia and other countries. The aims of LEF's presentations can be summarised as follows: a) to provide reliable information, based on direct experience, about processes and situations similar to the ones encountered in Asalouyeh, generated by the operations of oil and gas companies; b) to promote reflection and debate on the lessons and practical conclusions that can be drawn from the experiences presented; and c) to promote and develop the understanding and skills associated with successful processes of multi-stakeholder dialogue, negotiation and consensus-building, among the different social actors and groups involved in project activities in Asalouyeh. The presentations included case studies, personal accounts, references to academic research and news items, in different formats (videos, photos, power-point presentations, texts). These awareness-raising and capacity-building activities led to a series of visioning exercises facilitated by CENESTA with LEF support, which were carried out initially by each social actor or group separately, and later in shared multi-stakeholder sessions. The visioning activities enabled the definition of a desirable future for the Asalouyeh region that was shared by all stakeholders, including project target groups and beneficiaries. These project achievements were highly significant; they enabled the successful implementation of project activities and joint initiatives by stakeholders (for details see section 2.4 *Results of the Action*).

Amendment 1 to the Grant Contract, which came into effect in January 2013, included a modification of project activities that translated into a key added value: LEF committed to design and produce *"a multi-media distance learning programme based on 'best practice' international experience in poverty reduction through multi-stakeholder engagement and cooperation, in the context of sustainable development"*. In our Addendum request to the EC (in November 2012), we provided the following explanation: *"LEF has concluded that travel to Iran by LEF staff is no longer safe ... The aim of the programme is to share information, skills and lessons from successful projects carried out in different parts of the world by LEF or others, without LEF staff having to travel to the project area regularly."* The resulting programme developed by LEF during 2013 integrates seminar presentations, papers, case studies, video clips of on-going projects, briefing notes, and interviews linked to successful projects carried out (or well known) by LEF in different parts of the world (the programme can be accessed at <http://oilandgas.livingearth.org.uk>). The programme integrates, in an organized and easy to use format, content presented in Iran by LEF during the early stages of project implementation, and includes additional materials based on LEF's 30 years of experience of civil society engagement with oil and gas industries globally, as well as information from project partners and others in Venezuela, Nigeria, Mauritania, Russia and other countries. The programme's materials have been used in Iran in capacity-building and multi-stakeholder workshops during the past year, and the web site is receiving an increasing number of 'visits' from Iranian stakeholders and others involved in, or affected by, projects associated with the challenges of managing the social and environmental impacts and long-term effects of the operations of oil and gas companies.

Following the 2013 Iranian presidential election, tensions within Iran and in Iran's relations with the USA and Europe, have eased significantly. A pervasive climate of cautious optimism seems to be displacing previous tensions within Iranian society, creating a more positive operating context for the project during its last 6 months of implementation. This situation of reduced tension allowed LEF an effective round of visits to Tehran and Asalouyeh in late 2013 and direct engagement, once again, with all major project stakeholders. In this new context, the successful end-of-project evaluation workshop and the national conference (the former carried out in Asalouyeh and the latter held in Tehran, both during the month of December 2013) provided excellent opportunities for project beneficiaries and other major Iranian stakeholders to openly

express their opinions about the project's activities and results. Project outcomes were evaluated positively, and the decision taken in 2012 by LEF and the EU to continue backing the project in difficult and sensitive circumstances, was unanimously viewed by participants in the conference as a wise one (details are provided in section 2.4 *Results of the Action*). If Iran's international relations and internal dynamics continue to develop in ways that lessen tensions and create new opportunities for engagement with international actors, the experience of this successful project and its outcomes may well provide useful relations and lessons for future initiatives.

## 2.2 *Activities and Results*

The following table lists all project activities carried out in 2013, in line with Annex 1 and Amendment 1 of the contract. Activities are mostly grouped in clusters, with several events taking place in the space of a few days. Sometimes meetings or workshops with different stakeholders took place on the same day; this occurred either because each activity was facilitated by different CENESTA staff members, or as was often the case, an activity with community groups was followed by a meeting with other stakeholders. The reason for this 'clustering' of activities in short time frames is simple: project staff made the best possible use of time when in Bushehr province, (usually for periods of 5 to 10 days at a time). As explained in previous reports, activities did not always correspond exactly to the narrow definitions that appear in the original project documents, nor were they carried out as 'stand alone' activities as they are listed in the documents mentioned. Although all project activities were carried out within the framework of purpose and content stated in the documents mentioned, project implementation required adapting activities to the specific needs and expectations of stakeholders, in a changing environment. In consequence, two or more activities were often combined into a single workshop, or into a combination of a meeting and a workshop, and some activities were repeated many times in conjunction with others (e.g. information and consultation sessions were carried out not only at the beginning of project implementation as initially planned; the sensitive, changing operating environment dictated that these sessions be carried out throughout the implementation process, usually as an introductory exercise to a different activity). Additionally, activities often integrated specific topics and content, which, although linked to the overall purpose of the project, were not expressly mentioned in the original project documents (e.g. activities centred on Nayban Marine and Coastal National Park). Communication with key stakeholders and decision makers in the oil and gas industries and government was a permanent feature of project implementation, often carried out through informal channels (e.g. telephone and email exchanges). The same was true for communication between project staff and members of community organisations and local authorities in Asalouyeh, as well as communication between project staff and senior managers and researchers of the Institute of International Energy Studies (IIES). Regarding these key activities, only formal meetings and work sessions are listed in the following table; these must be interpreted, therefore, as 'tips of the iceberg' rather than the whole picture. The table on the following page lists the specific content and location of meetings and workshops, as well as their key results and participants. Other project activities, many of them time-consuming (such as translation into English of activity reports and supporting documentation) are not mentioned, although they played an important role in project management.

## PROJECT ACTIVITIES IN 2013: SUMMARY

ACTIVITY : <i>Communication with Local Authorities, Government, directors and managers of the oil and gas industries</i>		
DATES	PARTICIPANTS	CONTENT / RESULTS
<p>Key events (meetings and workshops):</p> <ul style="list-style-type: none"> <li>• 18-21 Feb.;</li> <li>• 25 Feb. – 02 March;</li> <li>• 8-10 April;</li> <li>• 14-16 May;</li> <li>• 13-17 July</li> <li>• 06 August</li> <li>• 17 August</li> </ul>	<p>Senior managers, officials, technical staff and experts, from:</p> <p>Department of the Environment (DoE); Pars Special Economic Energy Zone (PSEEZ); Governor of Bushehr; Department of Health (DoH); National Iranian Oil Company (NIOC); Department of Agriculture &amp; Fisheries (DoA&amp;F); Persian Oil and Gas Company (POGC); National Iranian Gas Exporting Company (NIGEC).</p> <p>CENESTA project staff; LEF Project Manager (through Skype from January to November, and in person, in Dec. 2013).</p>	<ul style="list-style-type: none"> <li>• Meetings in early 2013 with Ahmad Zadeh, new Director of PSEEZ Dept. of Research and Technology (R&amp;T) to develop understanding of co-management approach to local development, led to one-day WS on participatory action-research to prepare a co-management model for Nayban Marine and Coastal National Park.</li> <li>• Meeting DoE in Bushehr (Mr. Motahhari and Mr. Moeen) achieved DoE support for developing a co-management model for Nayban Marine and Coastal NP (February).</li> <li>• Meeting at District Governor's office in Assalouyeh (February) with participation of Sub-district governor (Bakhshdar), Cenesta team, local community elders, PSEEZ, DoE, village councils of some villages and local manager of Nayband National Park (DoE) in Assalouyeh. The topic of the discussion was designing and preparing a participatory research and action proposal on <b>"A co-management model for Nayband Marine and Coastal National Park"</b> with participation of local communities and other stakeholders. Follow up actions by participants in the meeting, were agreed</li> <li>• Meeting in DoE Bushehr (March): interview with Engr. Rezaee and consultation about the petrochemicals waste water in the area and its effect on agricultural lands etc.; interview with Mr Darvishi &amp; Moradi biodiversity experts of DoE and information sharing on biodiversity (flora and fauna) of the project area (Assalouyeh region); use of DoE library (Bushehr) to collect information on Nayband National Park; rich and useful meeting with Mahmood Moghimi (marine biologist) introduced by Edgardo Garcia of LEF to CENESTA team, to share aims and progress of D&amp;D project and a useful session with him on impacts of oil &amp; gas projects on regional biodiversity (flora and fauna), existing conflicts, situation of islands and protected areas, sea turtles, mangrove forests and North Pars development project.</li> <li>• Meeting in Bushehr with DoE to develop draft co-management model for Nayban NP, which was then presented to Director R&amp;T Dept. of PSEEZ (April)</li> <li>• WS with DoE Head of Protected Areas and experts to present draft proposal on Nayban NP (May)</li> <li>• Meeting with Director R&amp;T of PSEEZ on priority socio-economic issues affecting local communities – action plan (May)</li> <li>• Meeting &amp; field visit with NP management of DoE, to review situation of Nayban NP, threats to nature and livelihood activities (May)</li> <li>• 2nd workshop with the head of Habitats &amp; Protected Areas of DoE and presentation of the new version of Nayban NP report; review of legal aspects of proposed co-management model for the Nayban NP with DoE expert; preparation of meeting with FRWO authorities to present the Nayban NP report; meeting with Dr. Keykha (DoE head of Natural Environment) and discussion of co-management of Nayban NP (June)</li> <li>• Meeting with PSEEZ (R&amp;T) to review project progress and future plans in particular the role of registered local institution (NOSD) - July</li> <li>• Meeting and field visit with Nayban NP management, completing necessary data for "Co-management for Nayband NP model" – July</li> <li>• 3<sup>rd</sup> meeting with the head of Habitats &amp; Protected Areas of DoE for his formal and legal support of ICCAs concept and "A co-management model for Nayban Marine and Coastal National Park" in DoE. Dr Moghaddasi approved a one day workshop with DoE experts and representatives of local authorities and communities from Asalouyeh (August)</li> <li>• One day WS with committee of environmental experts of DoE, and reps. of communities and local authorities of Asalouyeh (17 August)</li> </ul>

<i>Dates of key events - continued</i>	<i>Participants - continued</i>	<i>Communication with Local Authorities, Government, directors and managers of the oil and gas industries – continued</i>
(meetings and workshops):	Senior managers, officials, technical staff and experts, from:	<ul style="list-style-type: none"> <li>The WS presented and discussed the proposal of “A co-management model for Nayban Marine and Coastal National Park”, its implementation and next steps. CENESTA and community representatives stressed relation between livelihood and health issues to the conservation of Nayban NP. The role of NOSD in bringing communities, industry and authorities together to discuss these issues and agree joint action plans, was discussed (17 August)</li> </ul>
<ul style="list-style-type: none"> <li>August</li> </ul>	Department of the Environment (DoE); Pars Special Economic Energy Zone (PSEEZ); Governor of Bushehr; Department of Health (DoH); National Iranian Oil Company (NIOC); Department of Agriculture & Fisheries (DoA&F); Persian Oil and Gas Company (POGC); National Iranian Gas Exporting Company (NIGEC).	<ul style="list-style-type: none"> <li>Meeting with Iranian National Institute for Oceanography (INIO) on Nayban Marine and Coastal NP and D&amp;D project activities and achievements (August);</li> <li>Second meeting at INIO: presentation of the Nayban NP report and the role of marine &amp; coastal communities in conversation planning and research in ocean studies at INIO (September);</li> <li>Meeting at HSE Dept. Ministry of Petroleum, Tehran, with experts at HSE office in Tehran: discussion of potential co-operation in Assalouyeh region regarding emergency practices; CENESTA team reviewed 2 reports of the JICA study team: 1) Strengthening environmental management in petroleum industry in Persian Gulf and its coastal area “inception report, May 2012” ; and 2) ‘First technical seminar; strengthening environmental management in petroleum industry in Persian Gulf and its coastal area “July 2012”). CENESTA described briefly the D&amp;D project and its future plans in Assalouyeh in addition to national commitments to conservation of biodiversity and community conserved areas. Discussion with government officials and experts on relationships among government organization (DoE, DoH, local authorities) and petroleum industry projects in Assalouyeh; relationship of industry with local communities/people and their challenges; difficulties in the activities of the industry, and opinions on environmental and social considerations in development projects (September).</li> <li>Meeting with the head of DoE in Bushehr, followed by one day workshop with DoE experts for presentation by CENESTA of “<b>Co-management model for Nayban Marine and Coastal National Park</b>” and discussion by CENESTA team and DoE experts (September)</li> <li>Meeting with PSEEZ head of R&amp;T and experts (September) on project progress and future plans of expansion of project activities to Borazjan; CENESTA recommended greater involvement of NOSD in R&amp;T plans and activities; review of the mutual agreement and discussion of its items with R&amp;T: agreement needs to be ratified by PSEEZ director Mr Nassouri. Official documents of NOSD registration were submitted to PSEEZ by Messrs Kamali and Mohammadi, in presence of CENESTA.</li> <li>Meeting with Ali Ahmadi of POGC on de-flaring. Dr. Ahmadi given responsibility in Iran’s de-flaring programme by new Minister of Petroleum (September).</li> <li>Two meetings with Dr. Mohammad Reza Fatemi, marine biologist from Scientific Research Centre of Free University. Dr. Fatemi provided necessary information on key marine and coastal conservation issues in Persian Gulf, in preparation for visit to Iran of Dr. Sandra Kloff (October)</li> <li>Meeting with Engr. Asghar Mobaraki, marine biologist and sea turtles expert of DoE to involve him in the project, as requested by Dr.Sandra Kloff (October);</li> <li>One day workshop in DoE with environmental experts, technical staff from O&amp;G industries, Dialogue &amp; Development project partners to discuss integrating national and international experiences &amp; new approaches in achieving sustainable development through establishment of marine and coastal community conserved areas in Assalouyeh and other regions. This workshop was held with the presence of newly appointed Director General for Habitats and Protected Areas of DoE (Dr. Farhang Qasriani) and DoE experts and CENESTA team in Tehran (November).</li> <li>Preparing programme, invitation letter &amp; list of participants for Assalouyeh and Tehran workshops and circulating among partners for their final comments and confirmation;</li> <li>Preparing workshop materials (project newsletters 1, 2 &amp; 3, progress report, visibility, poster, PowerPoint presentations);</li> <li>Planning for logistic issues of the workshop, audio-visual documentation, venue, accommodation, flights to Assalouyeh and Tehran, etc.;</li> <li>Skype meeting with Edgardo(LEF), project issues, workshop arrangements and his travel to Iran;</li> </ul>
<ul style="list-style-type: none"> <li>6–10 Sept.</li> </ul>	CENESTA project staff; LEF Project Manager (through Skype from January to November, and in person, in Dec. 2013).	
<ul style="list-style-type: none"> <li>October (various dates)</li> </ul>		
<ul style="list-style-type: none"> <li>November (various dates)</li> </ul>		

<p><i>Dates of key events - continued</i></p> <p>(meetings and workshops):</p> <ul style="list-style-type: none"> <li>November (various)</li> <li>07-12 Dec,</li> </ul>	<p><i>Participants - continued</i></p> <p>Senior managers, officials, technical staff and experts, from:</p> <p>Department of the Environment (DoE); Pars Special Economic Energy Zone (PSEEZ); Governor of Bushehr; Department of Health (DoH); National Iranian Oil Company (NIOC); Department of Agriculture &amp; Fisheries (DoA&amp;F); Persian Oil and Gas Company (POGC); National Iranian Gas Exporting Company (NIGEC).</p> <p>CENESTA project staff; LEF Project Manager (through Skype from January to November, and in person, in Dec. 2013).</p>	<p><i>Communication with Local Authorities, Government, directors and managers of the oil and gas industries – continued</i></p> <ul style="list-style-type: none"> <li>Meeting with Dr. Mohammad Reza Fatemi, from University section (Marine Biologist), discussion of his points of view in marine conservation priorities in the project area, and their relation to local livelihoods (November).</li> <li>Meeting with DoE, (Division of Wildlife) in the project to request their participation in future actions on conservation of Sea Turtles in project area;</li> <li>Meeting at DoE, with Dr. Farhang Qasriani, new appointed head of Habitats and Protected Areas of Iran on Assalouyeh project and presentation of “co-management of Nayban National Park” with key local stakeholders in Assalouyeh (November);</li> <li>Meeting at DoE, with Asghar Mobaraki, expert on marine biology and sea turtles in Iran, on current situation, threats, opportunities etc in project area.</li> <li>Meeting at UNIDO (Dr. Farvar and Alessandro Amadio), discussing Zero-flaring issues in Assalouyeh and their possible assistance in zero-flaring;</li> <li>Meeting with Dr. Ali Ahmadi (Special Advisor to the Minister of Petroleum for de-flaring in Assalouyeh) and his colleague on the progress of discussion with UNIDO on de-flaring issues in Assalouyeh;</li> <li>Meeting at Cenesta with the head of UNIDO (Alessandro Amadio) on initial joint discussion with Mr Ahmadi and Dr. Ali Ahmadi to review progress of de-flaring project in Assalouyeh (November): <ul style="list-style-type: none"> <li>Norwegian Environmental Agency has technical knowledge and are ready to help;</li> <li>UNIDO has possibility to provide: a) 2 technical experts to prepare project proposal on zero-flaring (UTF) document, b) organising a study tour for a small team to the North Sea to learn from their experiences; and c) accept a unilateral trust fund (UTF) project;</li> <li>Dr Ali Ahmadi will send some technical information for UNIDO’s follow up;</li> <li>Mr Alessandro Amadio will talk to the Norwegian Ambassador to seek their help.</li> </ul> </li> <li>Meeting with senior managers of PSEEZ in Asalouyeh was followed by the end-of-project national workshop/conference, held in Tehran in December 2013, as planned. 65 participants took part in the event, among them senior managers and officials of the Ministry of Petroleum, NIOC, PSEEZ, IIES, POGC and NIGEC, as well as community leaders from Asalouyeh, members of NOSD, and marine biologists and coastal scientists, among others. LEF presented a summary review of project aims and results initially envisaged, as well as relevant examples from international experience, using web-based learning programme. CENESTA summarised project implementation process. Project stakeholders contributed opinions and evaluation of project achievements (see ‘Project Results: Comments from Stakeholders’).</li> </ul>
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**ACTIVITY: Production of distance learning programme**

DATES	PARTICIPANTS	CONTENT / RESULTS
<p>Key meetings &amp; field visits:</p> <ul style="list-style-type: none"> <li>* March – May (North Sea projects, UK, others)</li> <li>* June – July (Venezuela, Nigeria, others)</li> <li>* Sept. – Dec. (Russia, Iran)</li> </ul>	<p>LEF Project Manager and support staff; Jonathan Wills (Shetland Islands Council); Barnaby Briggs (Strategic Relations Manager-Shell); <i>Fundación Tierra Viva</i> staff in Venezuela; Francis Rivera-Rivas (Chevron Manager for Venezuela and Trinidad-Tobago); LEF project staff in Nigeria and Uganda; Professors Victor Korsunov (Vice Rector) and To Ken Sik of Sakhalin State University; Sandra Kloff (marine &amp; coastal adviser to Mauritania gov.); CENESTA staff &amp; project stakeholders &amp; beneficiaries, Iran.</p>	<ul style="list-style-type: none"> <li>Communication and interviews with partners and other actors in oil-related projects in Venezuela, Nigeria, Uganda, Mauritania, Russia and other countries, throughout the year. Case studies, assorted documents, photos and videos produced.</li> <li>Interviews and meetings with key stakeholders in North Sea oil projects (Shell, Shetland Islands Council, Norwegian researcher). Photos and videos produced (April – May)</li> <li>Meetings and interviews with partners and key stakeholders in oil and gas-related projects in Venezuela, including field visits, during June – July (trip expenses not covered by project). Case studies, assorted documents, photos &amp; videos produced.</li> <li>Meetings, interviews and field visits in Sakhalin Island, Russia (Sakhalin State University, Local Authorities, community organisations), in September (trip expenses not covered by project). Case study, photos and videos produced.</li> <li>Meetings, workshops, interviews and field visits in Iran (Asalouyeh and Tehran), during December. Case study, documents, photos and videos produced.</li> </ul> <p>Videos, case studies, photos and associated materials produced by LEF were used to promote discussion, reflection and learning in Iran, contributing to project outcomes. They were integrated to create web-based learning programme, which is continuing after the end of the project (<a href="http://oilandgas.livingearth.org.uk">http://oilandgas.livingearth.org.uk</a>).</p>



**ACTIVITY : Meetings with senior managers and researchers of the Institute for International Energy Studies (IIES)**

(this cluster of activities – meetings and workshops between CENESTA and the IIES– is listed separately due to the significant role the activities played in the implementation of the project; they enabled the development of constructive working relations between CENESTA and the IIES, which led to strong cooperation and was a key factor in ensuring project co-financing and effective project implementation, and also enabled cooperation between the two organisations on other projects in Iran, ensuring long-term impact of project results)

DATES	PARTICIPANTS	CONTENT / RESULTS
4 March (at CENESTA) 10,13, 17 March (at IIES)	CENESTA team  IIES team: Dr. Talebian, Mr. Malaki Mr. Salari	<ul style="list-style-type: none"> <li>• Consultation meeting with IIES on project progress, challenges, future plans and action plan;</li> <li>• IIES provided final comments on NOSD statutes and their registration;</li> <li>• Reviewing the project workplan for 2013 and discussion of financial challenges of the project;</li> <li>• Review by IIES of draft project report for comments (as per their request);</li> <li>• Discussion and agreement on project co-financing;</li> <li>• Discussion of possible contribution to the project by Dr. Sandra Kloff (travel to Iran agreed and IIES follow up - letter of invitation, visa forms, etc.)</li> <li>• Discussion of Iran-Pakistan Natural Gas Pipeline project, IIES requested Cenesta prepare a brief ToR &amp; submit it to IIES based on Asalouyeh project experiences</li> </ul>
April – various dates	CENESTA team with Mr. Malaki (IIES)	<ul style="list-style-type: none"> <li>• Preparation of draft version of mutual agreement between IIES, CENESTA and PSEEZ for comments and signature by IIES</li> <li>• Preparation of second issue of the project newsletter (final edition);</li> <li>• Preparation of administrative and financial project documents;</li> <li>• Preparation of agenda for the coming field visits;</li> <li>• Preparation of presentation (on Nayban N.Park) for the DoE Bushehr.</li> <li>• Meeting at IIES and presenting the progress of “A co-management model for Nayban Marine and Coastal National Park” with all stakeholders;</li> <li>• Meeting with Malaki (IIES) on the third issue of newsletter.</li> </ul>
July – various dates	CENESTA team with Mr. Malaki	<ul style="list-style-type: none"> <li>• Meetings at IIES and CENESTA (Tehran) to review project progress and prepare agenda of activities for pending field visit to the project area.</li> </ul>
August – various dates		<ul style="list-style-type: none"> <li>• Two meetings at IIES: presentation of project progress; preparation bilateral agreement IIES-CENESTA; report for PSEEZ; agenda for next field trip.</li> </ul>
September (various dates)	CENESTA team with Mr. Malaki	<ul style="list-style-type: none"> <li>• Meeting at IIES and discussion with on project progress and coming events for closure of Dialogue &amp; Development project; preparation of draft agenda for final workshops of the project.</li> </ul>
October (various)	IIES: Dr. Talebian and Mr Malaki CENESTA team	<ul style="list-style-type: none"> <li>• Meeting with IIES colleagues and Dr. Talebian, who had recently been promoted to post of Advisor to the Minister of Petroleum on social issues: discussion the results of IIES travel/ visit to Assalouy and results of internal evaluation of D&amp;D project by PSEEZ and IIES. IIES endorsed NOSD formation in Assalouyeh and expressed optimism for joint collaboration with NOSD in socio-economic and environmental actions/ plans. Discussion of content of final workshops of the project (date/ time, presentations, participants etc.). Agreed that workshop programme and presentations should contribute towards continuation of project initiatives after EC project in Assalouyeh ends, as well as to ensure more support for NOSD involvement in decision making process in the region.</li> </ul>
November (various dates)	IIES team plus Dr. Talebian; CENESTA team	
1-4 December	IIES & CENESTA teams	<ul style="list-style-type: none"> <li>• Meeting with IIES team to review the final arrangements of the project workshops in Assalouyeh and Tehran. Invitation letters agreed and sent to Asalouyeh and national participants in end-of-project conference / workshop in Tehran. Final preparation of project progress report in Persian for distribution in project workshops; Preparation of visibility products of the project for distribution/ dissemination. Final arrangements for visit of Sandra Kloff and Edgardo García Larralde and other arrangements for their stay in Tehran) and preparation of field visits and meetings in Assalouyeh. Final arrangements for the end-of – project workshops and conference in Assalouyeh and Tehran: participants, meeting venues, date/ time etc. for.</li> </ul>
12 December	IIES & CENESTA teams	<ul style="list-style-type: none"> <li>• Review/evaluation of dynamics and conclusions of end-of-project workshop and conference.</li> </ul>

<b>ACTIVITY : Participatory workshops with local stakeholders</b> (these include collaborative policy formulation workshops, public information and consultation sessions, and capacity-building workshops related to action research actions and the development of pilot projects)		
<b>DATES</b>	<b>PARTICIPANTS</b>	<b>CONTENT / RESULTS</b>
18 – 20 February	Community elders, members of Islamic Councils, young leaders from different villages, CENESTA	<ul style="list-style-type: none"> <li>Workshop with local community members from different villages in Chah-Mobarak village to discuss their by-laws and formal registration of Nayban Organisation for Sustainable Development (NOSD), its functions &amp; structure (February)</li> <li>One day visit to Bonoud village and Nayband National Park accompanied by Village Council and a participatory communication and consultation session to collect necessary information on water sources, land use of Nayband national park, vegetation, livelihood activities, construction, conflicts with DoE and PSEEZ, and conservation issues (February)</li> <li>Consultation session and interview with community elders (from Khoreh &amp; Kush Kenar villages as well as Assalouyeh city) on Nayband Park issues (March);</li> <li>Review and participatory evaluation of prepared project proposal on “running Eco-tourism activities in a part of Nayband Park” by Bid-Khoun village council; (evaluation team were members of NOSD, Cenesta team and DoE expert based in Nayband NP);</li> <li>Consultation meeting and capacity-building workshop with NOSD members on organizational skills and formal registration of NOSD, and visit to Nayband National Park with members of local communities, NOSD and DoE manager of Nayband National Park (March);</li> <li>Participatory workshop with community elders, religious leaders, council members of Haleh village, NOSD members, environmental activists (young members of other villages) from east of Nayband National Park and CENESTA team, held in Nour mosque of Haleh village. Participants and CENESTA members discussed the village history, flora and fauna of the region, customary management of mangrove forests, date palms and their linkages with local cultures and livelihood activities.</li> <li>Workshop with local community members from different villages and the first general assembly of Nayban Organisation for Sustainable Development (NOSD): discussion of conservation and livelihood issues (May).</li> <li>Workshop with NOSD on organisational skills and capacity building for co-management of Nayban National Park and their role in this participatory process; workshop with a few village councils (Sahmou, Zobar, Haleh, Khoreh) on NOSD activities and goals and their active participation in common plans in Assalouyeh; communication and discussion with community representatives on formal registration of NOSD: motivation to go forward</li> <li>Workshop with NOSD members and fisher-folks union on “<b>Co-management model for Nayban Marine and Coastal National Park</b>” in the region. Community members discussed with CENESTA their concerns, threats, needs, plans etc.; livelihood strategies and corresponding pilot project options were agreed.</li> <li>CENESTA participated in the first NOSD board meeting in Assalouyeh. Mr Kamali reported the recent activities by NOSD, progress in forming various committees and working groups, including ‘Women’s Committee’, information of NOSD registration provided to public, municipality, village and city councils in Assalouyeh, PSEEZ and IIES. NOSD has had positive exchanges with local philanthropies regarding their financial and moral support on NOSD mandates, objectives and activities. The board members of NOSD, with CENESTA’s facilitation, continued to discuss and plan for their pilot projects, in accordance with criteria of LEF – led ‘Dialogue and Development’ project. The following proposals for community-led pilot projects were proposed by the NOSD: 1) sustainable tourism and conservation of Nayban Ecosystems; 2) Green Space Management &amp; Development; 3) advertising and publication service; 4) internet services in Assalouyeh; 5) establishment of Managed Habitats and Fishing Sites; 6) establishing an approved laboratory of environmental monitoring.</li> <li>Meetings with community elders and leaders of several communities and NOSD members, to prepare their participation in the final workshops.</li> </ul>
25 February – 3 March	Community leaders and members; representatives of PSEEZ and DoE, CENESTA	
	Community elders and other members DoE, CENESTA	
	Members of NOSD, DoE, CENESTA	
	Community elders, members of NOSD, Islamic Councils, young leaders from different villages, CENESTA	
14-16 May		
13 – 17 July	Community elders, members of NOSD, Islamic Councils, young leaders from different villages, CENESTA	
	NOSD members, fisherfolk, CENESTA	
7 – 10 Sept.		
	NOSD members, CENESTA	
Oct. – November (various dates)	Community elders and leaders; NOSD members; CENESTA	

<i>Dates</i>	<i>Participants</i>	<i>Participatory workshops with local stakeholders - continued</i>
9 December	NOSD members, local authorities, community leaders and other project stakeholders	<ul style="list-style-type: none"> <li>End-of-project evaluation workshop in Asalouyeh with, community leaders, local authorities and other key stakeholders, including senior PSEEZ managers and marine and coastal scientists, provided insights into positive project outcomes and lessons learned. LEF and CENESTA made presentations. All participants - local authorities, community leaders, senior managers and government officials - expressed very positive views about project achievements (see '<i>Project Results: Comments from Stakeholders</i>' at the end of this section).</li> </ul>

### 2.3 Activities not carried out

In terms of purpose and content, all the activities listed in Annex 1 and in Amendment 1 of the Grant Contract were carried out, although not necessarily in the same chronological order as initially envisaged, nor exactly as outlined in the documents mentioned. As previously explained, two or more activities were often combined in one workshop, or in a series of meetings and/or workshops over several days. Regarding activities led by the IPE, these were more limited than initially envisaged. In fact, the IPE was only an active project partner during the first 18 months of project implementation. The IPE fulfilled its main role, which was to 'open doors' for LEF and CENESTA to ensure access to key actors in the Iranian oil and gas industries and the Ministry of Oil; this was successfully achieved in 2010 and during the first half of 2011. However, as Iranian universities came under increased scrutiny in a climate of heightened tension and suspicion, the effects of the changed circumstances had an adverse effect on the IPE, limiting its perceived autonomy of action. This led to the decision, suggested initially by the Director of the IPE himself, to halt the participation of the IPE in the project (the decision to put an end to the participation of the IPE in project activities was made by project partners through consensual agreement). Budget items linked to the IPE (such as renting an office in Asalouyeh) were thus eliminated (the PSEEZ provided CENESTA with access to work stations in Asalouyeh from mid 2011 onwards, thus ensuring a satisfactory alternative).

### 2.4 Results of the Action

The following table provides a summary of the results (outputs and outcomes<sup>1</sup>) achieved through the implementation of project activities, in relation to both the specific project objective and the corresponding expected results initially stated in project documents. Project outputs are directly linked to the activities that produce them, and in the following table they appear in conjunction with those activities. Outcomes, on the other hand, express more complex processes that are not easily linked to specific activities or outputs, as they generally express changes (in the actions, behaviour, attitudes and relations of key stakeholders and beneficiaries) that occur through the interaction of many different factors, among which several (or many) project activities and outputs, and the relational effects between them, can be important contributing factors. In consequence, although both outputs and outcomes constitute project results, in the following table they are not represented together. Outcomes are not linked to specific activities or outputs in the table; rather, they are indicated in a column that encompasses the whole project implementation process. It is important to note that the outcomes listed must be seen as *early indicators* of change processes, not final results. Time will tell how the outcomes achieved to date develop. Many activities that were carried out repeatedly throughout the implementation of the project (for example, meetings with key decision makers in the PSEEZ), contributed

<sup>1</sup> In this report, the term *outputs* is used to denote direct *products* of project activities, which are closely linked in time to the activities that generate them. The word *outcomes* refers to the *effects* that project activities and outputs have contributed to generate in the actions, behavior, attitudes and relations of project target groups, beneficiaries and other key stakeholders (outcomes may take some time to become apparent; here we list *early indicators* of effects).

to several different project outputs and outcomes; an attempt is made to reflect this in the table.

The project's specific objective – that is, the specific change that the project aimed to generate - was stated in the following terms in project documents: *Increased capacity of the most vulnerable social groups in the region of Assaluyeh in southern Bushehr province of Iran, to participate effectively with local authorities, Government agencies and key actors associated with the industrialisation of the region, in formulating and implementing social, health and environmental policies that affect them.*

In evaluating project results, the *expected results* outlined in the original project document, as well as the *indicators of achievement* posited in the original project logframe, have been taken into account. The results expected from successful project implementation, as stated in the original project documents, are closely linked to the project's specific objective, and can be understood as targets that express tangible partial 'steps' that enable the achievement of the project's specific objective.

<b>Result 1: Enhanced capacity among the most vulnerable people and groups, both personal and institutional, to understand and act on the causes of regional poverty and to realize their potential in addressing them.</b>		<b>SIGNIFICANT PROJECT OUTCOMES</b>
<b>MAIN ACTIVITIES</b>	<b>KEY OUTPUTS</b>	
<ul style="list-style-type: none"> <li>• Visits to communities to identify and engage key local actors and vulnerable groups (2010/11)</li> <li>• Capacity-building workshops in participatory assessment of local challenges and priorities (2010/11);</li> <li>• Regular information &amp; consultation sessions and meetings with leaders and members of community associations, local authorities &amp; other local actors throughout project implementation (in 21 villages in Asalouyeh region);</li> <li>• Training sessions in organisational and life skills for 150 community members from vulnerable groups (2011/12);</li> <li>• Regular communication with relevant government authorities throughout project cycle (Dept. Of Health -DoH, Dept. of Environment – DoE, Governor of Bushehr, Dept. of Agriculture &amp; Fisheries – DoA&amp;F, others).</li> <li>• Workshops and meetings with <i>Andishe Varzan Borana</i>, the only active CSO in the area (AVB has nearly 400 members)</li> </ul>	<ul style="list-style-type: none"> <li>• Project newsletter 1 to inform and consult local actors on project activities &amp; aims</li> <li>• Key local actors identified &amp; engaged</li> <li>• Participatory assessment of priority problems and issues and of local capacities and training needs, by 60 community members from vulnerable social groups, civil society organisations and local authorities</li> <li>• Public document that summarizes results of participatory WS</li> <li>• Reports, Power Point presentations &amp; photos of activities (and video clips)</li> </ul>	<ul style="list-style-type: none"> <li>• Increased information flows between oil and gas managers and local stakeholders</li> <li>• Increased understanding among local community groups, of the relations between local issues and problems and the operations of the oil and gas companies, and of options to improve existing conditions.</li> <li>• Increased understanding of the need for dialogue and cooperation to ensure effective solutions to local development issues, among key stakeholders (senior managers of PSEEZ &amp; other oil and gas companies, local authorities, community leaders, Governor of Bushehr, govenmt. officials).</li> </ul>
<b>Result 2: Increased capacity of all stakeholders to work together effectively to formulate and carry out locally appropriate initiatives in health and other fields, aimed at poverty reduction and sustainable development (SD).</b>		
<b>MAIN ACTIVITIES</b>	<b>KEY OUTPUTS</b>	
<ul style="list-style-type: none"> <li>• Capacity-building WS in multi-stakeholder dialogue, consensus-building &amp; co-management for 60-80 members of local communities, representatives of oil and gas companies, local authorities, government and others (2011- 2013)</li> <li>• Presentation of international examples of multi-stakeholder dialogue and cooperation around oil and gas projects</li> <li>• Regular communication with PSEEZ, industry actors &amp; relevant government agencies, continued</li> <li>• Additional on-the-job training for local authorities, vulnerable groups, industry managers, others (60 pers.)</li> <li>• Multi-stakeholder workshops to decide pilot projects (2012/2013)</li> <li>• Meetings, communication with key actors and projects in the world revision of docs, to produce distance learning programme</li> </ul>	<ul style="list-style-type: none"> <li>• 80 community members trained</li> <li>• <i>Nayban Organisation for Sustainable Development</i> created, to bring together and represent community actors, and to formally liaise with other stakeholders</li> <li>• 6 pilot projects (initiated in 2013)</li> <li>• PSEEZ commitment to support additional vocational training</li> <li>• Public Info Centre in Asalouyeh by PSEEZ</li> <li>• Reports WS results, photos, stories</li> <li>• Web-based distance learning programme</li> </ul>	<ul style="list-style-type: none"> <li>• Increased interaction and trust between local community actors and senior managers and decision makers of the PSEEZ , other industries and government agencies in Asalouyeh.</li> <li>• Increased interest &amp; action from DoE, DoH, PSEEZ, Governor of Bushehr and local authorities of Asalouyeh in involving local communities in initiatives for local development and conservation.</li> <li>• Constructive relations leading to multi-stakeholder cooperation and alliances among key stakeholders.</li> </ul>

<b>Result 3: Improved monitoring by stakeholders of both public policy and private sector implementation, particularly in the fields of health and environmental impact assessment and mitigation, and poverty reduction.</b>		<b>SIGNIFICANT PROJECT OUTCOMES</b> <i>(continued)</i>
<b>MAIN ACTIVITIES</b>	<b>KEY OUTPUTS</b>	
<ul style="list-style-type: none"> <li>Review and dissemination of previous environmental, social and health impact assessment studies carried out in Asalouyeh region</li> <li>Interviews of key local actors, researchers and technical staff of PSEEZ and government agencies, on impacts and effects of operations of oil, gas &amp; other industries.</li> <li>Capacity-building WS for 150 members of vulnerable groups, local authorities and others, in participatory action-research on health, environmental and social impacts associated with the operations of oil, gas and other industries in the Asalouyeh region (2012/13)</li> <li>Collaborative policy formulation sessions on priority social, health and environmental issues (90 pers. 2012/13)</li> <li>Regular communication with PSEEZ, industry actors &amp; relevant government agencies, continued</li> </ul>	<ul style="list-style-type: none"> <li>60 community members trained in action-research to monitor health and environmental issues</li> <li>Base line survey</li> <li>Identification of air pollution caused by gas flaring and venting as priority environmental health problem</li> <li>Cooperation agreement between DoH and <i>Nayban Organisation for Sustainable Development</i>, to improve monitoring health and environmental conditions</li> <li>Presentation to the Deputy Minister of Oil (June 2013)</li> </ul>	<ul style="list-style-type: none"> <li>Collaborative relationship between CENESTA and the Tehran-based Institute for International Energy Studies (IIES), with prospect of long-term cooperation</li> <li>Improved relations between marine and coastal scientists and the PSEEZ, which contributes to increased support from PSEEZ for research and conservation in Nayband National Park</li> <li>New role for CENESTA in providing advice and technical support to senior managers of Iranian oil and gas industries and government, in other industrial projects in Iran</li> <li>Public presentation of government 'zero flaring' project, aimed at harnessing associated gas and eliminating flaring and venting in Iran within 10 years.</li> </ul>
<b>Result 4: A multi-stakeholder alliance/forum to support the design and implementation by relevant actors, of locally appropriate health and other social strategies aimed at poverty reduction and SD.</b>		
<b>MAIN ACTIVITIES</b>	<b>KEY OUTPUTS</b>	
<ul style="list-style-type: none"> <li>Capacity-building WS in multi-stakeholder dialogue, consensus-building &amp; co-management for 60-80 members of local communities, representatives of oil and gas companies, local authorities, government &amp; others - continued</li> <li>Regular information &amp; consultation sessions &amp; meetings with leaders and members of communities, local authorities &amp; other local actors - continued</li> <li>Presentations of 'best practice' international experience by Dr. Sandra Kloff (Mauritania) and LEF</li> <li>Multi-stakeholder workshops and meetings to analyse, debate and agree shared actions, regarding local health, economic and social issues</li> </ul>	<ul style="list-style-type: none"> <li>100 members of local communities, local authorities, oil and gas companies and small private businesses trained</li> <li><i>Nayban Organisation for Sustainable Development</i> (NOSD) becomes public space for multi-stakeholder engagement and cooperation</li> <li>Cooperative agreement between PSEEZ, NOSD and DoE to develop community - based conservation initiatives in Nayban NP</li> <li>Presentation of project results to government agencies and policy makers by CENESTA and IIES</li> </ul>	<ul style="list-style-type: none"> <li>Strong interest from Iranian policy and decision makers to use the co-management approach in other areas to avoid/minimise negative socio-economic and environmental consequences of industrial activity.</li> <li>IIES consultation with CENESTA on Peace Line Project (pipeline Iran to India)</li> </ul>

<p><i>Result 4 – Main Activities continued</i></p> <ul style="list-style-type: none"> <li>Meetings, communication with key actors and projects in the world and revision of documents, to produce distance learning programme</li> </ul>	<p><i>Result 4 – Key Outputs continued</i></p> <ul style="list-style-type: none"> <li>Web-based distance learning programme</li> </ul>	<p><b>SIGNIFICANT PROJECT OUTCOMES</b> <i>(continued)</i></p> <ul style="list-style-type: none"> <li>Assignment of Nayban National Park as conservation area to be co-managed by various actors: local people through <i>Nayban Organisation for Sustainable Development</i>, DoE, PSEEZ and CENESTA</li> </ul>
<p><b>Result 5: Increased awareness of the role of the EC in promoting SD and poverty reduction, among local civil society organisations, community groups and local authorities in Assaluyeh and surrounding area.</b></p>		
<p><b>MAIN ACTIVITIES</b></p>		<p><b>KEY OUTPUTS</b></p>
<ul style="list-style-type: none"> <li>Information and consultation sessions with local communities and other key stakeholders, in which the role of the EU in the project, and in promoting poverty reduction and sustainable development, was described (throughout project implementation: 2010 – 2013)</li> <li>Publication and distribution of 3 Project Newsletters (15,000 copies), which describe the role of the EU in the project (throughout project implementation: 2010 – 2013)</li> <li>End-of-project evaluation workshop in Asalouyeh (Dec. 2013), which included a description/explanation of the role played by the EU</li> <li>End-of-project national conference held in Tehran (Dec. 2013), which included a description/explanation of the role played by the EU</li> <li>Meetings and communication with LEF partners and key actors and projects in different countries – including interviews - and revision of relevant documents, to produce distance learning programme (2012 – 2013)</li> </ul>	<ul style="list-style-type: none"> <li>Posters and Power Point presentations on the role of the EU in project support and in promoting poverty reduction in the context of SD</li> <li>Information about the role of the EU in the project, on web sites of LEF and CENESTA</li> <li>Web-based distance learning programme</li> </ul>	<ul style="list-style-type: none"> <li>Positive attitude towards EU support for development initiatives, among local authorities, community leaders and organisations in Asalouyeh</li> <li>Increased understanding and openness regarding initiatives carried out by the EU, among key decision makers in Iran</li> <li>Renewed interest in developing constructive relations with the EU, among Iranian students, researchers, academics and technical staff active in the field of sustainable development.</li> </ul>

### 2.5 Outcome on Target Group and Beneficiaries

The effects of project activities and outputs on vulnerable people, including traditional communities, women, unemployed youth and people living with health problems and disabilities in the Asalouyeh region, cannot be determined with precision at present, as outcomes reflect complex change processes that occur over time. However, the early results described in the previous section confirm achievement, or significant progress, in relation to the indicators posited in the initial project logframe. In effect, over 150 leaders and members of local communities, including vulnerable people, were trained in participatory learning and action and co-management approaches to sustainable development through capacity-building workshops and practical multi-stakeholder work

sessions. Many of these members of local communities continue to be actively involved in developing co-management initiatives centred on local health and environmental issues. Over 100 officials of local authorities and representatives of small private businesses have also been trained in these fields. Additionally, more than 60 managers, officials and technical staff of oil and gas industries, local authorities and government are currently engaged in multi-stakeholder dialogue, negotiation and consensus-building for sustainable development. Changes in policy formulation generated at the local level are difficult to evaluate at this early stage. However, the government decision to give priority to the development of a de-flaring programme that is to be initiated in Asalouyeh, and the publication of the corresponding programme in response to the conclusions and recommendations of multi-stakeholder sessions in Asalouyeh that defined poor air quality resulting from gas flaring and venting as a priority health issue, can be seen as early indicators of the on-going process of change. In addition, the NOSD is conducting a continuing dialogue with DoE and DoH officials regarding priority health and environmental issues, which has already led to initial practical steps aimed at improving waste management and water supply. These are very early actions that cannot be interpreted as irreversible results; nonetheless, they express a process of community engagement in policy formulation that did not exist before the project. Local community-based organisations (CBOs) have been active participants in capacity-building and multi-stakeholder workshops implemented by the project, from which they have benefitted by improving their organisational skills and strengthening their relations with key actors in government and in the oil and gas industries operating in Asalouyeh.

An indicator of wider project outcomes is the integration of the co-management approach developed with project stakeholders, to other projects in Iran. As outlined in the previous section, this significant development was announced by key decision makers in government (the Ministry of Petroleum) and the Iranian oil and gas industry (PSEEZ), in the end-of-project workshop and national conference that took place in December 2013.

*Comments from Project Stakeholders:*

*“This project has helped to overcome the discord that existed between parties here in Asalouyeh .... We have developed a common language to talk about the situation and problems we face, and we have learned to work together in harmony ... mutual understanding and cooperation have displaced the suspicion and mistrust that affected relations between the industry and local communities ... from now on we will incorporate a new approach in all projects we undertake: cultural impact assessment”*

Dr. Ahmad Zadeh, Director of Research and Technology, PSEEZ  
(Meeting with LEF and CENESTA, Asalouyeh, December 2013)

*“We were in despair, suffering without being heard, before CENESTA arrived here. We needed a shoulder to cry on, and that was the first thing that CENESTA provided. They helped us to gain confidence and find our best voice to speak to the people in charge of the industrial projects .... We have learned to have important dialogues with these people .... they have also learned how to sit down and listen to us ..... now we are learning to work together ... this project has changed our situation greatly, for the better ... we are very happy that CENESTA, LEF and the EU came here to support us ...”*

Buhendi Kamali, community leader,  
Deputy Head of Nayban Organisation for Sustainable Development  
(meeting with LEF and CENESTA, Asalouyeh, December 2013)



*"I am very pleased to be sitting in a round table discussion on the situation of regional marine and coastal environments and their protection, with senior managers and officials of the oil and gas industries operating in Asalouyeh .... For years we have been trying to achieve this type of relation, and now this project has enabled it .... I am grateful to LEF and CENESTA for their efforts..... they have made things happen that we were worried would never occur..."*

Dr. T. Fahtimi, senior marine biologist,  
University Professor, Adviser to Dept. of Environment  
(end-of-project evaluation workshop, Asalouyeh, December 2013)

*"We are very happy and satisfied with the results of the project.... We are learning to work together in ways that open doors and create trust .... We will apply these lessons to all our projects from now on .... We sincerely thank CENESTA and LEF for their contributions and support provided through the project..."*

Dr. Amir Talebian, Senior Adviser to the Minister of Petroleum  
(National Conference, Tehran, December 2013)

## *2.6 Materials Produced by the Project*

The following list summarises the most significant materials produced by the project :

- 3 project newsletters (5,000 copies each, distributed to project stakeholders);
- 6 Power Point presentations (by LEF and CENESTA) used in workshops
- Web-based distance learning programme produced by LEF, used in capacity-building and information sharing workshops in Iran: <http://oilandgas.livingearth.org.uk>
- Photos, case studies, relevant project reports and documents, video clips of interviews of key actors in relevant projects in different parts of the world, used in workshop sessions (can be accessed through web-based distance learning programme).

## *2.7 Contracts Awarded by the Project*

The project did not award any contract for the implementation of the action, at any time.

## *2.8 Sustainability of the Action*

The outcomes described in previous sections provide an indication of how the results of the action will be sustained. The following summary intends to outline key factors that we think will ensure continuity and sustainability of project results.

1. Cooperation between CENESTA, the IIES and the PSEEZ has been formalised in an agreement signed by the three organisations. The agreement includes financial support committed by IIES and PSEEZ to continue key activities developed by the project (i.e. capacity-building programmes, pilot projects, co-management initiatives with NOSD and other actors, among others).
2. Constructive relations with key decision makers in the Iranian government (DoE, DoH, Ministry of Petroleum, DoA&F, INIO) and the oil and gas industry (PSEEZ, NIOC, POGC) have facilitated the integration of lessons learned from project implementation into on-going and new Iranian projects.
3. In close relation to the preceding points, CENESTA has become partner and/or adviser to key Iranian actors involved in decision-making processes on the development issues and challenges addressed by the project.
4. A constructive climate of active engagement and positive expectations has developed among local community associations and local authorities in Asalouyeh, which is shared by key actors in the oil and gas industries and government. This tends to act as 'driver' of future interactions and initiatives.
5. Recent public declarations by political leaders, including President Rouhani, have stated that respect for the rights of communities and dialogue and consensus-

building among the different actors involved in development, are to be the guiding principles of Iran's development strategies. The project has provided a successful example of precisely that approach, and is increasingly being appreciated within Iran as a source of lessons to be learned.

### *2.9 Integration of Cross-Cutting Issues in Project Implementation*

The socio-cultural and political context in which the project operated posed significant challenges, in terms of promoting human rights, gender equality, children's rights, democracy, and good governance. Translating these issues into culturally appropriate terms and presenting them as topics for discussion and reflection was specially challenging, given the accusations and persecution that frequently target human rights advocates and promoters of gender equality in Iran, specially when these issues are promoted by non Iranians. From the beginning of project implementation LEF understood that CENESTA would lead in addressing these issues. CENESTA's understanding and sensitivity regarding cultural differences, and their experience in dealing with Iranian stakeholders in relation to the subjects mentioned, played a decisive role in integrating these issues in project implementation. The following account summarizes the key factors developed by the project to address the challenge described.

1. CENESTA project staff, among whom women played a prominent role, developed close trust-based relations with key local stakeholders, including the Islamic Councils and religious leaders of the communities involved in project activities. This facilitated discussion of sensitive issues in a non-threatening environment (the trust and friendship developed by CENESTA with local community members enabled the avoidance of community perceptions of 'outside meddling' in community affairs, by project staff).
2. In close association with the above, the active participation of women members of CENESTA's project team as facilitators and coordinators of workshops and meetings had a positive effect on community dynamics traditionally dominated by men. CENESTA's practical actions carried out 'among friends' openly rejected – gently, firmly and respectfully – the 'silent women' syndrome prevalent in community dynamics.
3. As a result of the discussion and reflection promoted and facilitated by CENESTA on these issues among leaders and members of local communities, the newly established NOSD created a 'Women's Committee' as part of the functional structure of the organisation, on the same level as the General Assembly of NOSD. The Women's Committee has rapidly become a respected and safe space where women members of local communities can voice their concerns and develop their own proposals to the problems and challenges they face. The conclusions and recommendations of the Women's Committee must be taken into account by the General Assembly in formulating action plans. The active participation of women has brought to the fore family issues relating to health, recreation, education and children's rights, among others.
4. Several representatives of the Governor of Bushehr's office, health professionals and government technical staff involved in the multi-stakeholder sessions implemented by the project, were women. Their knowledgeable participation in discussions and events normally dominated by men, was actively promoted by CENESTA. This too has had a positive effect on key community actors and dynamics.

As mentioned, more active women's participation in community affairs, recognised and respected by traditional community leaders, has opened the door for the consideration of issues that have tended to be overlooked or underestimated in prevalent traditional community affairs: family health concerns, children's rights, the situation of vulnerable people in the community (e.g. those with disabilities) recreation and others.

In our opinion, the approach led and implemented by CENESTA was successful in mainstreaming these issues in project implementation. However, these are early days to measure significant changes in behaviour and attitudes among community members. It is important to recognise that no irreversible, clear cut positive results can be reported regarding the integration of these issues into mainstream community attitudes, relations and actions. The project has succeeded in promoting and facilitating a process that is directed to that purpose; that is all. The continuing presence of CENESTA in the region – and the evolution of the initiatives started by the project - will undoubtedly play an important role in nurturing and supporting what is now an integral part of a community development process.

### *2.10 Monitoring and Evaluation of Project Activities*

Project activities included, from the very initiation of project implementation, consultation sessions with beneficiaries, target groups and other project stakeholders. Every workshop included a 'space' for reflection and discussion about the project's aims, activities, progress, achievements and limitations. Participants' observations, criticisms and recommendations were registered and when possible, integrated into project dynamics. This enabled regular 'corrections' that improved project implementation (e.g. in arranging meetings between community leaders and managers of the oil and gas companies in settings that did not intimidate or inhibit the participation of community actors). Project aims, activities and results were positively evaluated by its beneficiaries and other stakeholders throughout the process of project implementation. The comments by key project stakeholders transcribed in section 2.5 of this report, as well as the outcomes listed in section 2.4, are expressions of the monitoring and evaluation carried out by project beneficiaries and other stakeholders.

### *2.11 Lessons Learned*

CENESTA had not worked with the oil and gas industry before their participation in this project. Their work over decades had concentrated on rural agricultural and pastoral communities, and LEF sensed a certain initial resistance from CENESTA directors and senior staff towards engaging with 'the bad guys' of development (a common phenomenon among NGOs, including, at times, LEF). After the initial 'bridge-building' exercises facilitated by the IPE, CENESTA developed excellent working relations with key decision makers in the Iranian oil and gas industries, the Ministry of Petroleum and associated institutions. These relations have generated positive results beyond the project itself, opening doors and creating opportunities for CENESTA to engage with, and influence, key Iranian actors and projects. The key lesson learned by CENESTA, in our opinion, refers precisely to the feasibility of working with the oil and gas industry in the context of promoting sustainable development, to improve the management of the impacts and long-term effects of their operations on local communities and natural environments (Mohammad Taghi Farvar, CENESTA Chairman, provides interesting comments and reflections on work with the oil and gas industry, in an interview conducted by LEF in Tehran, in December 2013, which is included in the web-based learning programme: <http://oilandgas.livingearth.org.uk/case-studies/dialogue-and-development-in-asalouyeh-iran>). CENESTA is actively applying this lesson in the development of new relations and projects within Iran.

LEF has long known that effective project implementation requires flexibility and adaptability. Adapting to local expectations, needs, capacities and dynamics in different

socio-cultural contexts, is a constant challenge that demands flexibility. In sustainable development initiatives, fixed, pre-determined action plans are a recipe for disaster. This project proved a significant test of LEF's flexibility and capacity to adapt, especially as the project's operating context changed significantly during project implementation. LEF was tempted, at one point, to 'throw in the towel'. The fact that we were able to adapt flexibly to the new challenges and achieve favourable project results, constitutes the confirmation of that all-important lesson on flexibility and adaptability. LEF also strengthened its capacity to develop constructive relations with different stakeholders in complex, socially and politically sensitive environments.

### **3. Partners and other Co-operation**

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#### *3.1 Relations between Formal Partners of the Action*

Relations between project partners remained positive and mutually supportive throughout project implementation, with two significant changes. The first change refers to the fact that the Institute of Petroleum Engineering (IPE) of the Faculty of Engineering of the University of Tehran stopped being an active project partner 18 months after beginning the project. The role of the IPE was centred on initial bridge-building and support activities to enable LEF and CENESTA to meet key representatives and decision-makers of relevant government institutions and industrial projects in Asalouyeh, with whom the IPE had established professional working relations. The IPE fulfilled its role successfully during the first 18 months of project implementation by carrying out numerous introductory activities and participating in some initial workshops with project stakeholders. The situation of increased tension within Iran and in Iran's international relations, affected the IPE adversely, as previously noted. In consequence, in mid 2011 a decision was taken by partners that the IPE would no longer be involved in project activities. From that date onwards, the IPE had no further role in the project. A second change refers to the fact that LEF staff did not travel to Iran for a year, until the end of 2013 (this includes LEF's project manager). The frequent face-to-face sessions previously carried out between LEF's project manager and CENESTA staff were replaced by internet-based communication during most of 2013 (using 'skype' and similar technology). This did not significantly affect the quality of the relationship between LEF and CENESTA.

At present LEF is not planning to continue working in Iran, or to develop new initiatives in the country. However, our relations with CENESTA are very good and we remain open to the possibility of working again with this excellent partner.

#### *3.2 Relations between Project Partners and State Authorities*

Over more than 25 years of activity in Iran, CENESTA has developed good working relations with different government departments and agencies (e.g. the Department of the Environment and the Department of Agriculture and Fisheries). CENESTA has continued those relations through the project, and has also developed constructive relations with PSEEZ authorities, the Ministry of Petroleum, several Iranian oil and gas companies, the provincial government of Bushehr and other relevant government agencies. Additionally, in part as a result of 'spin offs' generated by project activities, CENESTA is constructively engaged as adviser to key state agencies in developing multi-stakeholder engagement strategies aimed at poverty reduction and the promotion of sustainable development in projects taking place in other parts of the country. Thus, relations and outputs developed through project activities are beginning to generate positive results (outcomes) beyond the project itself.

### *3.3 Relations with Other Organisations*

CENESTA has continued to develop constructive relations of trust and cooperation around project-related issues with key community and institutional stakeholders (e.g. local Islamic Community Councils and leaders, the recently established NAOSD, local authorities, cultural organisations, environmentalists and academics). In addition, a key achievement has been the continual strengthening of relations of cooperation and mutual support with the Institute of International Energy Studies (IIES) in Tehran, which has become a key supporting actor of the project.

### *3.5 Links and synergies with other actions*

During the implementation of project activities, especially during 2012 and 2013, LEF established communication with projects in different parts of the world with the aim of identifying lessons from experiences relevant to the action, in order to share them with project stakeholders. This entailed communicating with actors and stakeholders associated with projects aimed at managing the impacts and long-term effects of the operations of the oil and gas industries on local communities and natural environments. The driving force for this initiative was the demand of key project actors – community leaders and organisations in Asalouyeh, decision makers in the oil and gas industries and in government – to take on board relevant emerging lessons from international experience. In some cases this entailed revisiting projects in which LEF had been directly involved (for example, in Sakhalin, Russia; in the Niger delta, Nigeria; and in the Orinoco delta, Venezuela). In other instances it meant developing trust-based information sharing with protagonists and other stakeholders involved in experiences in which LEF had not played a direct role (as in the Shetland Islands in Scotland, and in the Norwegian North Sea). Constructive exchanges and fruitful engagement with these diverse actions was thus developed by LEF as a direct result of the demands of key protagonists and stakeholders of the action implemented in Asalouyeh in the Islamic Republic of Iran, which is the subject of this report.

LEF has presented a summary overview of the challenges and lessons associated with the diverse actions cited in the web site <http://oilandgas.livingearth.org.uk>, previously described (section 2.2). The referred web site contains case studies, interviews, project documents and other relevant materials in various formats (video clips, Power Point presentations, news articles, academic papers, music). As a result of this initiative, partially due to the ‘bridging’ role played by the web site, linkages are developing between diverse social actors and experiences in very different socio-cultural and geographical contexts. These South – South learning linkages - still in very early stages - may well become a significant project outcome. In particular, exchanges between LEF-led project ‘Jobs and Oil: Improving Access to Youth Employment in Western Uganda’, several projects led by *Fundación Tierra Viva* in Venezuela and the Iranian Asalouyeh project, may result in interesting outcomes. However, an important caveat must be included: language barriers continue to pose significant challenges to these exchanges (in every case English speakers in the various organisations serve as translators, but this is a limited and time-consuming exercise that does not fully address the challenge). In any case, whether true synergies can develop from these emerging linkages, remains to be seen.

On the other hand, clear synergies have emerged from CENESTA’s initiatives and relationships in Iran. CENESTA is engaged in several projects (mainly, but not only, in Iran) that are very different from the action implemented in Asalouyeh. Much of CENESTA’s work is centred on carrying out participatory research, promotion and support activities around traditional livelihood strategies of nomadic pastoralists, to ensure sustainable use of natural resources and community wellbeing. An important aspect of CENESTA’s work consists of researching, disseminating and promoting agricultural practices that ensure long-term soil conservation, integrity of fragile ecosystems and

healthy foods for local communities and others. CENESTA's work places strong emphasis on ensuring community participation in decision making processes undertaken by government agencies on land rights and usages, agricultural production and community development. Although these actions (and their aims and corresponding protagonists and stakeholders) appear to have little relation to those of the project implemented by LEF and CENESTA in Asalouyeh, many linkages have already been established between them and the action that is the subject of this report. Examples of this are CENESTA's constructive working relations with the 'Habitats and Protected Areas' and 'Agriculture and Fisheries' divisions of the Department of the Environment, the 'Iranian National Institute for Oceanography' (INIO) and the 'Community Education' division of the Department of Health. These relations, developed over many years, enabled CENESTA to bring to the Asalouyeh project technical assistance, advice and logistical support from different government agencies to address livelihood challenges associated with fishing, agricultural practices, community health, coastal and marine conservation and other issues in Asalouyeh and the surrounding region.

### *3.6 Previous EC grants for the same target groups*

LEF has not received previous EC grants for the same target groups in Asalouyeh; neither has CENESTA.

### *3.7 Co-operation with the services of the Contracting Authority*

LEF and CENESTA have evaluated in very positive terms the co-operation provided by the EC on this project. During the implementation of project activities our regular interim narrative and financial reports to the EC received timely reviews and useful feedback from the Contracting Authority. A constructive and cordial exchange of information and perspectives between LEF's project manager and our EC counterpart was a routine feature of our relation with the Contracting Authority. As previously outlined, this project did not take place in a stable and predictable operating context. On the contrary, the action was caught in the midst of rapidly changing circumstances, geopolitical and local, that threatened to significantly impact its implementation negatively. In the face of the uncertainty determined by these circumstances, relations with the Contracting Authority acquired greater significance. On three occasions – in 2010, 2011 and 2012 - LEF's project manager, accompanied by senior CENESTA managers and on one occasion by LEF's Director of Programmes, (in May 2012) held face-to-face encounters in Brussels with our EC counterparts to inform them of project progress, obstacles and challenges, and to discuss options. These exchanges, frank, cordial and constructive helped guide our decision to continue project implementation under the new and challenging circumstances we faced, which entailed modifying LEF's presence on the ground, as well as project activities. Consequently, LEF and CENESTA developed a flexible approach that led to the successful culmination of project implementation in December 2013, with the outcomes previously outlined that ensure the sustainability of results. Both LEF and CENESTA appreciate the constructive support and guidance received from our EC counterpart throughout project implementation, under highly sensitive and changing circumstances. The constructive attitude of the Contracting Authority and the support and guidance it provided, were also publicly acknowledged by senior managers of IIES, PSEEZ and government officials in the end-of-project National Conference held in Tehran in December 2013.

## **4. Visibility**

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Regarding the contribution of the EU to the project, LEF and project partners agreed at the beginning of the project to maintain a low public profile, due to the sensitive nature of Iran's relations with the EU and the UK. The sanctions adopted by the UK and the EU against Iranian banks and financial institutions (including Iran's Central Bank) in late

2011 and during the first months of 2012 and the accompanying oil ban against Iran, confirmed the need to maintain this behaviour. Military exercises in the Persian Gulf by Iranian and US forces were a regular background to these events. It was a situation that showed few positive indicators in 2012 and early 2013, and confirmed the relevance of the low public visibility strategy adopted with regards to the role of the EU in our project.

This should not be understood to mean that the role of the EU in the project was kept 'secret' by project partners. As we have emphasised in previous reports, all relevant actors with whom we engaged (among local communities, PSEEZ, IIES, the Department of the Environment, the Governor of Bushehr, local authorities in Asalouyeh, academics and the University of Tehran) were fully informed that our project was sponsored by the EU, and of the amount of the EU's financial contribution to it. Additionally, the web pages of CENESTA and LEF, as well as the new web-based learning programme developed by LEF, which is regularly visited by Iranian organisations, all contain a clear summary of the project, including information on the role of the EU. We have previously noted that for many Iranians the distinction between EU support for development projects in Iran and EU approval of sanctions against the country, was not clear. We are convinced that our project has contributed significantly towards making that distinction clear among key Iranian actors and decision-makers. This can have a positive future impact if international geopolitical dynamics centred on Iran continue to evolve towards a situation of lessened tensions and increased trust in EU – Iran relations.

As previously noted, relations between Iran and US and European actors are improving under President Rouhani. However, it is too early to declare victory in the struggle – internal to Iran and international – to establish constructive, trust-based relations between Iran, the USA and the EU. For this reason, we continue to think that discretion regarding the visibility of the EU support for the project continues to be the best option until a clear, sustainable improvement in relations between Iran and the EU is assured. Our position remains basically unchanged in this respect, and expresses an approach that is widely viewed as appropriate among allies and friends within Iran, tempered by the acknowledgement that a climate of cautious optimism in Iran's future has been spreading throughout the country. Accordingly, we believe that the time has come to request that the EU place discreet, factual information about the activities and results of this project on its website.

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