



**UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION**  
**ORGANIZZAZIONE DELLE NAZIONI UNITE PER LO SVILUPPO INDUSTRIALE**

INVESTMENT AND TECHNOLOGY PROMOTION OFFICE  
 UFFICIO PER LA PROMOZIONE DEGLI INVESTIMENTI

Roma, 20 Settembre 2016

*Oggetto: "Collaborazione Ministero dell'Ambiente e UNIDO ITPO Italia per l'implementazione di un progetto a supporto delle PMI in Iran attraverso la promozione degli investimenti e trasferimento tecnologico - erogazione somme assegnate"*

Egregio Direttore La Camera,

con riferimento all'oggetto alleghiamo documento di progetto e relativo budget a supporto delle PMI in Iran attraverso la promozione degli investimenti e trasferimento tecnologico; di seguito si trasmettono le coordinate bancarie per consentire ai vostri uffici di procedere al versamento delle quote assegnate al progetto.

**BANCA DI CREDITO COOPERATIVO DI ROMA**  
 Agenzia 105 Via Sardegna Roma  
 IBAN: IT50D083270323900000005300

In vista delle attività programmate, attenendosi alle modalità di erogazione concordate, ad approvazione di progetto attendiamo il versamento di una quota pari al 60% del valore totale dello stesso (€ 99.750) corrispondente a € 59.850.

Le successive assegnazioni di budget, come previsto dal documento in allegato, verranno erogate in due rate da € 29.925 e € 9.975 (pari al 30% e 10% del valore totale del progetto) a seguito di richiesta scritta e presentazione di relazioni tecniche e finanziarie intermedie e finali da parte di UNIDO ITPO Italia.

In attesa di un Suo cortese riscontro in merito alla proposta inoltrata, La prego di gradire i sensi della mia più alta stima.

DIREZIONE GENERALE PER IL TERRITORIO, L'AMBIENTE E PER I RAPPORTI CON L'UNIONE EUROPEA E GLI ORGANISMI INTERNAZIONALI UFFICIO DEL DIRETTORE											
20 SET. 2016											

*Diana Battaglia*  
 Head of Office  
 UNIDO ITPO Italy

Dott. Francesco La Camera  
 Direttore Generale  
 Direzione generale per lo sviluppo sostenibile, per il danno ambientale e per i rapporti con l'Unione europea e gli organismi internazionali (SVI)  
 Ministero dell'Ambiente e della Tutela del Territorio e del Mare  
 Via Cristoforo Colombo, 44  
 00147 - Roma

N. AMTE. SVI. REGISTRO UFFICIALE. INGRESSO. PROT. 0008999. 20-09-2016

# RBM Service Summary Sheet

Project/Programme number:

Creation Date:

Item Creator:

Item Responsible:

## BASIC INFORMATION

**Title of the project:**

Support to Iran's SMEs upgrading through Investment Promotion and Technology Transfer in energy and environment

**Country:**

Islamic Republic of Iran

**Description:**

The objective of the project is to support the Iranian Government in upgrading and strengthening the competitiveness of the industrial SMEs in Iran by identifying and promoting sustainable investment and technology transfer opportunities in selected environment and renewable energy sectors with the aim of supporting sustainable development, local job creation and fostering international partnerships.

**Thematic area and RBM codes:**

GC2 Advancing Economic Competitiveness

**Expected duration:**

1 year

**Proposed main target groups:**

Local SMEs operating in renewable energy and relevant environmental institutions and their members

**Expected counterpart:**

Iran's Department of Environment, relevant Government Agencies (such as SUNA – Renewable Energy Organization of Iran) or more generic ones (such as OIETAI – Organization for Investment Economic and Technical Assistance of Iran) Ministry of Energy, Ministry of industry, Mine and Trade

**Total Budget (excl. support costs):**

€ 95.000

## BACKGROUND DESIGN ANALYSIS

### **Baseline scenario:**

The promotion of low carbon technology deployment and strong networks for SMEs, startups and entrepreneurs, has the potential to contribute to the mitigation/adaptation to the climate change, while also simultaneously strengthening the comparative advantage and competitiveness of the industrial sector in developing economies such as Iran.

This networking approach will help in contributing to job creation, improved living standards and the development of sustainable and inclusive regional and global value chains in a perspective of a win-win cooperation through agreements and international partnerships with Italian stakeholders and technology providers in these industrial sectors.

This project responds to an increasing demand for innovative partnerships, multi-level and integrated solutions to address the energy, climate and development challenges simultaneously, providing an innovative tool to cover the gap in the nexus between energy, food and water issues.

In addition the project will contribute particularly to the cross-cutting area of Sustainable Development Goal (SDG) 7 on Sustainable Energy and SDG 9 on sustainable industrial development, pursuing the objectives and commitments undertaken at COP 21 in Paris.

### **Institutional arrangements and coordination mechanism:**

The leading goal of the project is to support the Iranian Government in upgrading and strengthening the competitiveness of the industrial SMEs in Iran by identifying and promoting sustainable investment and technology transfer opportunities in selected environment and renewable energy sectors with the aim of supporting sustainable development, local job creation and fostering international partnerships, ensuring an Inclusive and Sustainable Development to be attained in collaboration with Central and Local Administrations and Regional Authorities, under the strategic vision of the Italian Ministry for the Environment, Land and Sea.

The technical competences to be developed locally, supported by research, training and knowledge diffusion, allow the stakeholders involved in the project to apply advanced models of interventions through an integrated approach to the development themes such as technologies, management, means, actions, information, etc...

The project will focus on specific tailored services to foster international partnerships on the basis of the high relevance for leveraging investments in energy and environment services, infrastructure, local businesses and industry.

Investment and business promotion will be an important activity component of the project' activities but also a cross-cutting issue across the other components capacity development, expected spill-over effects of the different interventions; for example awareness raising and capacity building can lead to positive developments in the area of policy formulation and investment promotion.

In implementing its activities, UNIDO ITPO Italy will, whenever possible, work with already existing institutions in Iran so as to build already existing capacities but also to promote collaboration between such institutions. The support offered to the Local Authorities will help them in becoming leaders of their own territorial development, inducing a more responsible use of available resources and, finally, gaining an

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improved awareness and a more qualified opinion and perception of their own territory, boosting its capacity to attract investments and wealth.

Cooperation with a wide range of public/private and local/international stakeholders during implementation will maximize the local added value, north-south and south-south technology and know-how transfer to Iran. This also prevents unnecessary duplication of effort and competition with already existing national energy institutions and companies. In addition, this approach maximizes the impact and visibility of the project's activities in the region.

The importance of a coordinated approach is highlighted, and the need for UNIDO ITPO Italy to work closely with Member State ministries and agencies responsible for energy and environment, particularly through the selected National Focal Institutions as the main contact point, also in order to improve competitiveness of local institutional and private counterparts and aligning with the undertaken commitments in COP 21.

### **Funding strategy and Disbursement:**

The total contribution of € 99.750 (including support costs) will be covered by the donor, Italian Ministry for the Environment, Land and Sea in three installments.

The first installment of 60% of the total amount will be made against a written request by UNIDO ITPO Italy to the Italian Ministry for the Environment, Land and Sea, upon the approval of the project.

The second installment of 30% of the total amount will be made after receipt of a written request by UNIDO ITPO Italy to the Italian Ministry for the Environment, Land and Sea and a progress technical and financial report on the use of the previous payment.

A third installment of 10% of the total amount will be made after receipt of a written request by UNIDO ITPO Italy to the Italian Ministry for the Environment, Land and Sea, and a final technical and financial report.

All financial accounts and statements shall be expressed in Euro.

UNIDO ITPO Italy shall furnish to the Italian Ministry for the Environment, Land and Sea with a progress technical and financial report and a final technical and financial report, including financial supporting documents, in accordance with the UNIDO rules, on the activities and the main achievements of the project. The project will be monitored also according to the indicators listed by the Italian Minister for the Environment, Land and Sea, if any.

**Budget:**

BL	Description	Budget (EUR)
1100	International experts	18.000
1500	Project local travel	16.000
1700	National experts	41.000
2100	Subcontracts	6.000
3000	Training and workshops	8.000
3500	International meetings	4.000
5100	Supplies and sundries	2.000
9900	Total	<b>95.000</b>
	5 % Support Cost	4.750
	<b>Grand Total</b>	<b>99.750</b>

Estimated budget necessary for the project implementation is of € 99.750 (including 5% support costs)

Description	Expenditure
Administrative Services	In Kind
Networking and Mapping activity to identify the suitable local public and private counterparts	In Kind
Inception Mission in Iran (UNIDO staff)	€ 5.000
UNIDO Project Coordinator	€ 18.000
Local staff – Technician	€ 20.500
Local staff – Business development/Institutional relations	€ 20.500
On-the job training in UNIDO methodologies (to be held by UNIDO locally)	€ 4.500
Facility Services in Iran	€ 6.000
Local Travel	€ 3.000
Monitoring Mission to Iran	€ 3.000
Delegate Programme in Italy (for 2 people)	€ 8.000
Organization of an Official Event with local and Governmental Institutions	€ 2.500
Miscellaneous (brochure, leaflet, promotional material, focuses on specialized magazines, newspapers)	€ 2.000
Sundries	€ 2.000
<b>Subtotal</b>	<b>€ 95.000</b>
Agency Support Costs 5%	€ 4.750
<b>Grand Total</b>	<b>€ 99.750</b>

## RESULT ORIENTED PROJECT DESIGN : LOGIC OF INTERVENTION

### **Project Objective:**

The objective of the project is to support the Iranian Government in upgrading and strengthening the competitiveness of the industrial SMEs in Iran by identifying and promoting sustainable investment and technology transfer opportunities in selected environment and renewable energy sectors with the aim of supporting sustainable development, local job creation and fostering international partnerships.

To pursue this goal UNIDO ITPO Italy, in synergy with the Italian Ministry for the Environment, Land and Sea and on the basis of its previous successful experiences concerning these activities, will establish and operate a focal point in Iran that will assist in field UNIDO ITPO Italy in scouting an ad hoc portfolio of sustainable investment opportunities in the country and open up new international partnerships, working also in close cooperation with other local institutions in supporting private sector.

UNIDO will act as an honest broker in the identification and formulation of investment projects for local companies and to promote them within the UNIDO ITPO Italy network and in the international business community in order to support new investments in the country and open opportunities for technological upgrading of the local companies in the sector.

In respecting other activities in the energy and environment sectors the actions will be closely coordinated with on-going sectorial activities implemented by UNIDO and other organizations in order to achieve synergies and avoid overlapping.

According to information spreading within the UNIDO network, it is envisaged that neighboring countries could take advantage of the project lessons learned, paving the way for future similar synergies developed in a collaboration framework between the Italian Ministry for the Environment, Land and Sea and UNIDO ITPO Italy.

### **Inception Phase**

During the inception phase UNIDO ITPO Italy will carry out the following activities:

- Establishment of the focal point and selection/recruitment of the 2 local staff (1 technician and 1 business developer/institutional relations manager – with expertise in Procurement)
- Consultations with selected local stakeholders in Iran to refine the design of the project and finalize the activity plan, including the targets to benefit during the development of the project and the expected results to be achieved on the basis of the first appraisal
- Announcement and communication campaign to be carried out to inform all relevant stakeholders about the establishment of the services, at

State, national and international levels (including through ITPO Network and UNIDO field offices). This will include contacting women's and youth entrepreneurship groups and networks

- On-the job training in UNIDO methodologies (also on the basis of the goals expressed by the Donor) for the national focal point and other stakeholders
- Identification and mapping of promising sectors/clusters/value chains in the country and conduct analysis on policy framework to identify potential bottlenecks and remedial actions

### **Activities and Outputs**

The project's activities will be coordinated under the guidance of UNIDO ITPO Italy and in line with the strategic view of the Italian Ministry for the Environment, Land and Sea and the local Governmental strategies and activities.

Following project activities, assisted SMEs will be strengthened and geared to local, national and international markets.

The project would focus the largest part of its resources to promote investments opportunities and technology transfer in Iran, mainly in collaboration with Italy, more precisely by supporting its SMEs and local public officers related to investment promotion with trade fairs, country presentations, training and direct business-matching.

SMEs owned and/or managed by women and youth shall be particularly targeted and paid special attention to throughout the intervention.

The main activities to be carried out within this project are:

- Identified a number of concrete investment opportunities in the country in the selected sectors;
- Promoted the selected opportunities to the investors and technology providers in the ITPO Italy network creating a successful matchmaking with the local counterparts with the aim to contribute in increasing the total value of the trade and investment ongoing agreements in the country;
- Disseminated knowledge to local industrial SMEs concerning new sustainable technologies in the selected sectors;
- Improved local investment officer's skills in identifying & promoting internationally investment projects in order to build a long-lasting reliable network in the country.
- Supported the promotion of investment and trade agreements between local SMEs and international actors, mainly from Italy.

Following are outlined the outputs expected from the project:

- Investment opportunities portfolio developed and promoted
- Demonstrated technical viability of innovative technologies on the sustainable energy and climate change adaptation

**Project Logical Framework**

<b>Support to Iran's SMEs upgrading through Investment Promotion and Technology Transfer in energy and environment</b>					
<b>Project Title:</b>	<b>Support to Iran's SMEs upgrading through Investment Promotion and Technology Transfer in energy and environment</b>				
<b>Outcome 1</b>	<b>Local Industrial SMEs have upgraded and strengthened their competitiveness through the identification and promotion of sustainable investment and technology transfer opportunities in selected environment and renewable energy sectors</b>				
<b>Outputs</b>	<b>Activities</b>	<b>Responsibility</b>	<b>Key Partner</b>	<b>Indicators</b>	<b>Means of Verification</b>
<b>Inception phase</b>	<ul style="list-style-type: none"> <li>• Technical country mission for data retrieving and consolidation</li> <li>• Definition of risks not foreseen during the formulation phase</li> <li>• Identification of suitable key implementing partners</li> <li>• Draft of all relevant JDs/ToRs for local and international experts</li> <li>• Draft initial technical report (to be shared with all relevant key partners and donor)</li> </ul>	UNIDO ITPO Italy	n.a.	<p>Initial technical report with consolidated data and defined risks &amp; mitigation measures is finalized and shared with key partners and donor;</p> <p># of locally recruited staff is operational by the end of the inception phase (2 local staff (1 technician and 1 business developer/institutional relations manager – with expertise in Procurement)</p>	<p>Initial technical report/ JDs &amp; ToRs</p> <p>Local staff contracts</p>
<b>Output 1: Investment opportunities portfolio developed and promoted through local Industrial SMEs</b>	<ul style="list-style-type: none"> <li>• Identify target countries/sectors for investment promotion;</li> <li>• Organization of an international meeting for investment promotion in the country</li> <li>• Organization of delegate programme;</li> <li>• Promoted the selected opportunities to the investors and technology providers in the ITPO Italy network creating a successful matchmaking with the local counterparts with the</li> </ul>	UNIDO ITPO Italy	Local partners identified during the inception phase (Industrial SMEs)	<p>Industrial sectors identified for investment promotion.</p> <p># of promotional tools developed.</p> <p># of delegates visiting the industrial SMEs/local private associations for business opportunities</p>	Attendance sheets/meeting reports
		UNIDO ITPO Italy	Local partners identified during the inception phase (Industrial SMEs)	# of opportunities promoted	Meetings reports



<p>aim to contribute in increasing the total value of the investment and ongoing agreements in the country;</p>					
<ul style="list-style-type: none"> <li>• Arrange 2 country presentations in Italy</li> </ul>	UNIDO ITPO Italy	n.a.	# of presentations held	Report	
<p>On-the job training in UNIDO methodologies:</p> <ul style="list-style-type: none"> <li>• Innovative technologies workshop</li> <li>• Designing promotional tools for companies</li> </ul>	UNIDO ITPO Italy	Local partners identified during the inception phase(industrial SMEs)	# of selected representatives from local institutions (selected industrial SMEs associations) who received ad hoc trainings	Attendance sheets/trainers reports	
<ul style="list-style-type: none"> <li>• Regular advisory services and organizing capsular training programs to domestic companies</li> </ul>	UNIDO ITPO Italy	Local partners identified during the inception phase(industrial SMEs)	# of companies incorporating best management practices	Counseling Report Monitoring Report	
<ul style="list-style-type: none"> <li>• Maintain and operate the UNIDO ITPO platform between companies and possible foreign investors (IIPPs database)</li> </ul>	UNIDO ITPO Italy	Local partners identified during the inception phase(industrial SMEs)	# of business partnerships developed	MoUs signed	
<ul style="list-style-type: none"> <li>• Technical Assistance in selected intervention areas for private and public sector associations to develop their business collaboration plans</li> </ul>	UNIDO ITPO Italy	Selected Institutions i.e. Iran Federation of Chambers of Commerce and Industries , Iran Federation of Industries, Chambers of Commerce	# of tools designed in selected intervention areas	Monitoring Report	
<p><b>Output 2:</b> Demonstrated technical viability of innovative technologies on the sustainable energy and climate change adaptation</p>					

**Assumptions & Risks**

**The inception phase will also serve to identify other possible risks at the implementation level and the mitigation measures connected to them.**

Assumptions & Risks						
Result	Risk Description	Risk Type	Risk Level	Assumptions	Mitigation Measures	
Project element	Local human resources are not operational, staffed and well networked with local and international business associations during the inception phase	Partnership and inception phase	Low	Recruitment of Local Staff is delayed for technical /external factors	UNIDO ITPO Italy will ensure that all relevant JDs / ToRs are drafted and shared with local implementing partner during the inception phase so to avoid unnecessary delays with internal recruitment procedures	
	The local institutional support is not assured as the host institution	Partnership and inception phase	Low	The hosting institution (s) may not possess the appropriate premises to offer to the project staff for the implementation of activities at the local level	UNIDO ITPO Italy will ensure , during the inception phase and through direct contact with the implementing partners, that the locally recruited staff will have appropriate office space at their disposal for the entire duration of the project	
Investment promotion	Potential breakdown in the political and security situation in the Country	Security level	Medium	The political un-certainty may cause serious law and order problem that could affect the smooth functioning of the project activities	UNIDO ITPO Italy will promote active participation and commitment of the targeted institutional partners which will be involved (with the Donor country for the SCM) and continuously informed on the progresses of the project	
	Security situation may not be attractive enough for foreign investors to invest and political un-certainty may prevent reform initiatives	Security level	Medium	The political un-certainty may cause a low investment efforts from foreign investors	UNIDO ITPO Italy will support the organization of country presentations and arrangements of ad-hoc country missions within the component of investment promotion	