

United Nations Office on Drugs and Crime

Report of the Independent External Evaluation

**Project
“Improvement of Iranian Legislative and Judicial capacity
to tackle Organized Crime and Money Laundering and
promotion of Mutual Legal Assistance” – IRN/S12**

**Thematic Area
Crime Prevention and Criminal Justice**

Final Draft/v.6

UNODC–Iran IRN/S12 Project

May 2010

Table of contents

Abbreviations and Acronyms

Executive summary	6
A. Summary Project Description	10
B. Independent external evaluation	
B1. Purpose and Scope	11
B2. Methodology	11
B3. Limitations	12
C. Background	
C1. Preliminary remarks	13
C2. Introduction	13
C3. Country and Project context	14
C4. Recent modifications in the Country context	15
D. Project Extension	
D1. Terms of extension	19
D2. PE approval proceeding	19
D3. Implementation of the PE	20
D4. Findings	20
E. Actions based on Recommendations of MTE	
Recommendation 1. – Inclusion of donors and stakeholders.	23
Recommendation 2. - A comprehensive training programme.	24
Recommendation 3. - Regional cooperation.	24
Recommendation 4. - Organized crime/de-criminalization.	25
Recommendation 5. - IT/e-court programme and organized crime	25
Recommendation 6. - Monitoring tools	25
Recommendation 7. - Developing indications coming from previous outcomes.	27
F. Project output implementation	
Output 1: Setting up a Project Management Unit (PMU)	28
Output 2: anti-money laundering measures	28
Output 3: trans-national organized crime	32
Output 4: mutual legal assistance	34
Output 5: training programmes	35
G. Analysis and Major Findings	
G1. Relevance	39
G2. Effectiveness	40
G3. Efficiency	44

G4. Impacts	44
G5. Constraints	46
G6. Sustainability	46
H. Lessons learned and best practices.	48
I. Recommendations	50
L. Conclusions	52

Annex

1. Terms of Reference
2. Evaluation Agenda

Abbreviations and Acronyms

AML	Anti-Money Laundering
CR	Cluster Projects Evaluation Report
DCHQ	Drug Control Head Quarter
DNA	National Anti-Mafia Justice Directorate
FATF	Financial Action Task Force
EU	European Union
FIU	Financial Intelligence Unit
ICSFT	International Convention for the Suppression of the Financing of Terrorism
ICT	Information and Communication Technology
IRoI	Islamic Republic of Iran
JRP	Judicial Reform Plan
LEA	Law Enforcement Agency
MLA	Mutual Legal Assistance
MLA-CA	Mutual Legal Assistance – Central Authority
MLA-FP	Mutual Legal Assistance – Focal Point
MDG	Mini Dublin Group
MoU	Memorandum of Understanding
MTE	Mid Term Evaluation
MTR	Mid Term (Evaluation) Report
PE	Project Extension
PM	Project Management
PRC	Project Review Committee

PSC	Project Steering Committee
RoL	Rule of Law
STR	Suspicious Transaction Report
SPF	UNODC-Iran Strategic Programme Framework
UNAC	United Nations Convention against Corruption
UNODC	United Nations Office on Drugs and Crime
UNTOC	United Nations Conventions Against Transnational Organized Crime

Disclaimer

Independent Project Evaluations are scheduled and managed by the project managers and conducted by external independent evaluators. The role of the Independent Evaluation Unit (IEU) in relation to independent project evaluations is one of quality assurance and support throughout the evaluation process, but IEU does not directly participate in or undertake independent project evaluations. It is, however, the responsibility of IEU to respond to the commitment of the United Nations Evaluation Group (UNEG) in professionalizing the evaluation function and promoting a culture of evaluation within UNODC for the purposes of accountability and continuous learning and improvement.

Due to the disbandment of the Independent Evaluation Unit (IEU) and the shortage of resources following its reinstatement, the IEU has been limited in its capacity to perform these functions for independent project evaluations to the degree anticipated. As a result, some independent evaluation reports posted may not be in full compliance with all IEU or UNEG guidelines. However, in order to support a transparent and learning environment, all evaluations received during this period have been posted and as an on-going process, IEU has begun re-implementing quality assurance processes and instituting guidelines for independent project evaluations as of January 2011.

Final Project Evaluation

“Improvement of Iranian Legislative and Judicial capacity to tackle Organized Crime and Money Laundering and promotion of Mutual Legal Assistance” - IRN/S12

Executive Summary

Summary table of findings, supporting evidence and recommendations

Findings: identified problems/issues	Supporting evidence/examples	Recommendations
<p>UNODC strategy, S12 Project within it, addresses the core threat to Iran, in the field of criminality: interrelations between drugs trafficking and organized crime, on the one hand, and the weakness of the Iranian legal and institutional system on the other. Money laundering is correctly identified as the hub of such interactions. The complexity of the assessed threat requires the original comprehensive approach of the three clustered rule of law Projects to be maintained. On the other hand the threat of domestic organized crime has not yet been addressed.</p> <p>The difficult domestic and international general situation regarding Iran had direct influence on practical project implementation and its policy. In 2009, soon after the Mid Term Evaluation (MTE) conclusion, Iran experienced a period of trouble as a consequence of the national political elections. The Iranian commitment to respecting the rule of law principles was seriously questioned by the International Community. This cannot be considered irrelevant to a Project, which is part of a Rule of Law (RoL) programme. The situation became even more complicated from an international point of view.</p> <p>In such a difficult context UNODC Iran was able to keep a channel open between the Islamic Republic of Iran and the International Community in the fields within its duties. It is not easy to evaluate this result only from</p>	<p>Data about drug smuggling from Afghanistan. Data about drug addicts in Iran. Concerns shown by the Iranian stakeholders and representatives of the International Community. Size and relevance of informal economy and its impact on ML. UNODC- Iran research on the I.R. of Iran Judiciary system, organized crime, money laundering and mutual legal assistance</p> <p>Project Management (PM) adopted significant alternative strategies and practices to maintain a good level of cooperation with domestic counterpart and found good solutions to continue the implementation of project activities in a timely/efficient way.</p> <p>A Mini-Dublin Group Report on Iran (December 2009) underlined the key role of UNODC in Iran as the unique agency capable to deliver technical services to the Country and keep open communication bridges even in difficult circumstances.</p>	<p>UNODC should:</p> <ul style="list-style-type: none"> - continue to provide assistance to Iran in drafting and implementing a national strategy to tackle OC and ML, in a sub-regional level. Special consideration should be given to establishing regional and sub-regional cooperation mechanisms, mainly within the Triangular Cooperation mechanism between Afghanistan, Iran and Pakistan. - devise a comprehensive strategy, linking the aforementioned assistance with a wider approach, grounded on Iranian endeavors to enhance efficiency, transparency and accountability of the Judiciary. Maintaining OC and projects on related issues within a wider RoL programme. - promote a thorough assessment of the threat coming from domestic OC, as a distinct issue from drug trafficking. - promote de-criminalization, as well as measures alternative to punishment and diversion, should be specifically addressed, as important parts of the reform process; legislation providing death penalty for drug and organized crime related offences should be addressed as well, in the same approach.

<p>percentage of implementation of the scheduled Project's activities. Anyway the Evaluator tried to do so, as discussed below. But what must be stressed as the most important achievement of the Project implementation is the ability to build up UNODC as a bridge, facilitating contacts and exchange of experiences. Referring to UNODC as a bridge could be seen as a sort of commonplace; on the contrary, the term is anything but a cliché, since it was repeated to the Evaluator by everyone, during the mission, with the utmost conviction.</p>		
<p>As a consequence of changes in political responsibility, at national level, the line of responsibility within the Judiciary and other domestic institutions changed as well; that meant that UNODC's interlocutors were suddenly replaced creating additional problems in the organization and implementation of planned activities. The project ensured close involvement of key Iranian counterparts and national ownership in the implementation of the project through the formal mechanism of the Project Steering Committee (PSC).</p>	<p>Project Management adopted a significant effort to re-establish communication links with the main counterpart to the project (Judiciary) and further opened project activities to other important counterparts (i.e. Ministry of Foreign Affairs, Ministry of Economy and Finance, Ministry of the Interior, DCHQ, Central Bank of Iran, Ministry of the Intelligence, and other private and governmental institutions – finance and Universities).</p> <p>Parallel to this approach, PM strengthened and improved cooperation/coordination amongst Law Enforcement, Judiciary and FIU authorities in order to achieve a better result in combating money laundering and organized crime.</p> <p>the PRC has undertaken important policy and implementation decisions, including: adopting project work plans, reviewing objectives of thematic seminars; preparing terms of reference of study tours and list of participants; and reviewing project progress reports and deciding on adjustments, as required.</p> <p>MTR recommendations have been correctly addressed.</p>	<p>UNODC should:</p> <ul style="list-style-type: none"> -continue to follow this path promoting domestic coordination/cooperation. - continue to keep the Donors informed and indirectly involved in the decision-making process. - redouble its efforts to directly involve Donors in PSC/PRC which is, however, a best practice to be implemented.
<p>Exposing Iranian stakeholders to different experiences, valorizing Iranian endeavors, providing Iranian bodies with continuous technical assistance allowed UNODC to achieve important results.</p> <p>The project responds to judicial and related measures required to effectively deal with organized crime, money</p>	<ul style="list-style-type: none"> - Approval of the Anti-Money Laundering (AML) Law (2008). - Approval of Anti-Money Laundering bylaw (2009) - Approval of Counter Financing Terrorism (CFT) bill in the cabinet. This bill is in the Parliament for passing final approval (2010). - Establishment of the Iranian Financial Intelligence Unit (FIU) (2010) 	<p>UNODC should:</p> <ul style="list-style-type: none"> - further improve Iranian capacity in the field of Organized Crime, Money Laundering and Mutual Legal Assistance, aimed at assessing the amendments within Iranian law and institutions, introduced so that Iran meets international RoL standards. Homogenization of legislation is a fundamental target.

<p>laundering and the promotion of mutual legal assistance as identified in Iran's Judicial reform plans. The project activities and processes directly address Iran's Second Five-Year Reform Plan 2004-2008 priority objectives of: i) crime prevention, and ii) reviewing relevant legislation to increase Iran's capacity to control organized crime including money laundering.</p> <p>It appears to be consistent also with the third Stage of the JRP, which has been drafted and published but is currently under consideration of the new Head of the Judiciary for further amendments.</p>	<ul style="list-style-type: none"> - Establishment of relations between the Iranian FIU and the International community, FATF, EGMONT Group in the field of AML. - Start ratification process of UNTOC Convention. Ratification is currently under consideration of the Cabinet. - Identification of the Mutual Legal Assistance Focal Point of the Judiciary to improve international MLA. The final appointment of the related Judiciary office is under consideration by the head of the Judiciary. - Promotion of Sub-regional, regional and international cooperation on AML and MLA through implementation of study missions, seminars, conferences and workshops in Iran and abroad. - Improving technical knowledge of Iranian counterparts through translation, publication and distribution of key UN and International legal instruments, model legislations, and best practices in line with UN standard and with respect of international best practices. - Provide Judiciary (Judges and prosecutors) with technical required assistance on the design of a modern database on organized crime to facilitate information exchange with foreign judicial authorities in line with International standard. 	<ul style="list-style-type: none"> - promote a thorough assessment of the threat coming from OC, as a distinct issue from drug trafficking, is necessary. Such an assessment could identify more closely the required interventions in the legislation, jurisprudence and institutions. - further promote specific activities/initiatives aimed at stimulating Iran to ratify UNTOC Convention and to sign and ratify the International Convention on Countering the Financing of Terrorism. - the relevant results achieved in the AML field should be considered as a first step. Specific attention to the operative implementation of the new legislation is required, taking into consideration the links with the wider issue of the informal economy. - promote a work-on-case approach to MLA considering difficulties met in implementing an effective cooperation, even where legal instruments have already been enacted. That means collecting and analyzing - with the cooperation of the Iranian Judiciary - all available data related to the mutual legal assistance procedures in which Iran has been involved in recent years. - follow up the positive experience of the establishment of the FIU and AML CBT Training Center promoting coordination with the Judiciary, assuring participation of prosecutors and judges (as well as LE officials) and building similar permanent structures. - provide the Judiciary with a training programme, conceived on a permanent basis and strictly tailored to identify national needs should be considered a priority in order to assure sustainability to the project effectiveness.
<p>Project achievements vis-à-vis problems encountered are grounded on the correct identification and prioritization of national needs and the way to deal with them. A clear example of which could be seen in the way UNODC was able to meet the evolution of Iranian needs and to assist the relevant bodies in better identifying how to address them.</p> <p>The Project, as of in the 2010-2011 extension, addresses two more items related to transnational organized crime and money laundering, within the</p>	<p>PM and Iranian counterparts identified new RoL strategic areas of technical cooperation (protection of Cultural Heritage, Witness Protection, Triangular Cooperation between Afghanistan, Iran and Pakistan in fighting money laundering and improving MLA) in line with the original project document.</p> <p>These new subjects were addressed in the 2009 project extension and 2010 project revision/extension.</p>	<p>UNODC should:</p> <ul style="list-style-type: none"> - further improve Iranian capacity in the field of Organized Crime, Money Laundering and Mutual Legal Assistance, at sub-regional (Triangular Initiative) and international level. - Cultural and Heritage protection is a priority for a Country with an extraordinary archeological patrimony, exposed to a direct threat from artifacts smuggling. At the same time such a challenge leads directly to the enhancement of International Cooperation and could be considered a

<p>UNTOC Convention (witness protection and cultural heritage protection against transnational smuggling); Regional cooperation, as considered under the PE, is coherent with the Triangular Initiative, under the UNODC Rainbow Strategy and Paris Pact general framework.</p> <p>Flexibility within the Project's scope was the means that enabled UNODC to remain engaged.</p> <p>The second "weapon" was the trust, built up over years of assistance delivered by devoted and fair officials.</p>		<p>stimulus in that direction. Countries with the required experience and knowledge could be involved in such cooperation.</p> <p>- further promote specific activities/initiatives aimed at keeping Iranian counterpart's involved in the ratification of UNTOC Convention and to sign and ratify the International Convention on Countering the Financing of Terrorism.</p>
--	--	---

A. Summary Project Description

The main objective of this project IRNS12 is improving Iranian judicial and legislative capacities related to the control and prevention of organized crime and money laundering and to promote and strengthen international mutual legal assistance.

Project IRN/S12 approved duration was January 2007 – May 2010, with a total approved budget amounting to 1,660,000 USD. During the first quarter of the year 2010 additional budget equal to 200,000 Euro was secured by the Government of Italy therefore the project was reviewed and extended till 31 January 2011 with a total approved budget of 1,919,871 USD.

As stated in the Project Document the intermediate objectives of the project were:

- 1) Provide Iranian stakeholders (judges and prosecutors as well as law enforcement and other executive institutions) with the needed legislative and investigative tools, based on international best practices, for enforcing relevant anti money laundering laws and regulations.

Key Activities:

- Organizing a series of thematic seminars on money laundering and mutual legal assistance, with the assistance of international experts and UNODC HQ, to enable Iranian stakeholders to identify legislative and inter-institutional co-ordination mechanisms gaps and formulate action plan accordingly.
- 2) Familiarizing Iranian Judiciary and law enforcement agencies with modern technical tools and methodologies required for dealing with transnational organized crimes.

Key Activities:

- Compile and translate into Farsi, International legal instruments, model legislations, and best practices to increase Iranian stakeholders' knowledge of transnational organized crime
 - Compile and translate into English relevant Iranian laws and criminal code to facilitate exchange of basic information between the Iranian Judiciary and their foreign counterparts.
 - Organize study tours to foreign countries to expose Iranian stakeholders to best practices and know-how relating to transnational organized crime.
- 3) Train prosecutors as well as law enforcement staff so as to acquire knowledge, skills to tackle organized crime, money laundering and other related cases.
 - Organizing study tours and seminars/workshops.

The Project has been funded with the contribution of the following donors: the Federal Republic of Germany (financial contributor for the year 2009), the Republic of Italy (financial contributor for the years 2007-2008 and 2010) and the United Kingdom (financial contributor for the year 2007-2008).

The Final Evaluation is therefore presented before the Project conclusion and while some activities are still ongoing or pending.

B. Independent external evaluation

B1. Purpose and Scope

The objectives of the evaluation were to (1) provide information for better decision-making of UNODC management (best practices and lessons learned), (2) assess the impact and results of the project and demonstrate to what extent it has achieved its objectives and has been relevant, efficient, cost effective and sustainable, (3) identify fields for further UNODC assistance to the Iranian Judiciary.

In December 2008 a Mid-Term Report (MTR) was delivered by a Team of Evaluators.

In December 2009 - May 2010 the final evaluation reconsidered attentively the previous report in the light of the subsequent achievements related to the national and international situation and the progress in the Project implementation.

The Final Report is consequently focused on such new achievements. What could be considered definitively acquired will be summarized, while the report concentrates on what is important for a final, comprehensive evaluation.

A preliminary draft of the evaluation was presented to UNODC representatives and later to representatives of UNODC at Vienna headquarters.

B2. Methodology

The S12 project design did not include specific performance indicators. On the other hand it is really difficult to develop qualitative and quantitative measurable indicators for rule of law projects. Such a difficulty is emphasized in the context of current institutional scenario in Iran, where access to information is difficult to obtain. PM managed to overcome the problem with extensive use of detailed reports. On the basis of the MID Term recommendations, the reports include specific information about budget, timing, extension of achieved results, limitations and perspective.

Project's targets comprehended the delivery of specific activities and the assistance of Iranian authorities in drafting new provisions (in the legislation as well in the structures and organization of the concerned bodies) and in implementing them.

As a first step the evaluation checked quantity and timing of the assistance delivered, not only on documents but also, when possible, by directly controlling the items or visiting the premises (software elaborated or delivered, documents translated, FIU).

As second step the evaluation considered how different activities were coordinated in order to enhance the impact of the single output. Interactions were deducted not only from the documents, but mainly from the effects on the Iranian side (as an example, checking indirect follow-ups of the UNODC MLA Software delivery)

The evaluation ensured key stakeholders (the Iranian Judiciary, the Ministry of Interiors, the Ministry of Foreign Affairs, the Ministry of Economy and Financial Affairs, project management, donors, the Mini

Dublin Group, and the EU member representatives in Iran) to give their feedback on the achievement of this UNODC projects.

It was used a range of tools, including:

Desk Review: the evaluator reviewed project documents; six-monthly and annual project progress reports; project activity reports on Study Tours, seminars and workshops; counter-part feedback reports, questionnaires and recommendations of seminars and workshops. Documents from different sources were acquired as well (MDG, Paris Pact, UN and the Press)

Interviews and Discussion: The evaluator discussed on various dimensions of the project with key stakeholders, including key Iranian authorities from the Judiciary and other concerned Ministry; MDG and EU member State representatives in Iran (France, Germany, Italy, The Netherlands, Sweden and Japan, the UN Coordinator for Iran). The discussions focused on gaining insight and feedback on the performance and impact of the project in terms of meeting their respective expectations and interests.

Triangulation was the main tool used to verify and confirm contentions and findings established from document review and discussions with stakeholders. Evaluation also verified whether recommendation made in the MID Term evaluation report and in the Cluster Evaluation Report of related projects implemented in Iran were heeded.

B3. Limitations

The limitation found in the MTE (the lack of verifiable indicators at the output and activity levels, and conspicuously at the results level - outcome/impact -, deriving from the original Project Document and drafting) was addressed in the correct way by the PM; indicators are actually shown in the work plans and prospectuses.

It was impossible, in spite of the Evaluator's request, to meet some very important Iranian stakeholders. While in the MTE the Team met representatives from the Parliament and the Deputy Head of the Judiciary, this was no longer possible. Gathering direct information from Parliament about the ratification process of the UNTOC Convention would have been of the utmost importance for the evaluation purposes.

More generally, lack of precise information from the Iranian side affected the Evaluation, with regard to the above mentioned issue.

C. Background

C1. Preliminary remarks

Discussing the internal and international political situation is beyond the scope of the Evaluation. At the same time it is clear that the Project implementation has been directly influenced by such a complex situation.

In 2009, soon after the MTE conclusion, Iran experienced a period of trouble as a consequence of the national political elections. The Iranian commitment to respecting the rule of law principles was seriously questioned by the International Community. This cannot be considered irrelevant to a Project, which is part of a RoL programme. The situation became even more complicated from an international point of view.

As a consequence of changes in political responsibility, at national level, the line of responsibility within the Judiciary changed as well; that meant that UNODC's interlocutors were suddenly replaced. In such a difficult context UNODC Iran was able to keep a channel open between the Islamic Republic of Iran and the International Community in the fields within its duties. It is not easy to evaluate this result only from percentage of implementation of the scheduled Project's activities. Anyway the Evaluator tried to do so, as discussed below. But what must be stressed as the most important achievement of the Project implementation is the ability to build up UNODC as a bridge, facilitating contacts and exchange of experiences. Referring to UNODC as a bridge could be seen as a sort of commonplace; on the contrary, the term is anything but a cliché, since it was repeated to the Evaluator by everyone, during the mission, with the utmost conviction.

Exposing relevant Iranian stakeholders to different experiences, valorizing Iranian endeavors, providing Iranian bodies with continuous technical assistance allowed UNODC to achieve important results, as specifically discussed above.

The above-mentioned opinion and such important achievements are grounded on the correct identification of the national needs and the way to deal with them; a clear example of which could be seen in the way UNODC was able to meet the evolution of Iranian needs and to assist the relevant bodies in better identifying how to address them. Flexibility within the Project's scope was the means that enabled UNODC to remain engaged. The second "weapon" was the trust, built up over years of assistance delivered by devoted and fair officials.

C2. Introduction

The Project "Improvement of Iranian Legislative and Judicial capacity to tackle Organized Crime and Money Laundering and promotion of Mutual Legal Assistance" - IRNS12 is aimed at assisting Iran in its efforts against drug trafficking and organized crime.

The Project was part of the UNODC Rule of Law cluster programme, composed of three projects: i) the present one, and ii) "**Strengthening Judicial Capacity**", (Proj. Ref. No. FS/IRA/04/R34); iii) "**Cooperation in the Promotion of the Reform Process of the Judiciary and Prison System in the I. R. of Iran**", (Proj. Ref. FS/IRA/05/S03). These projects were formulated in line with UNODC Strategic Programme Framework (SPF) for Iran 2005-2007 and jointly developed with the Iranian Judiciary, to provide technical assistance to support the implementation programs formulated under its 20-year Judicial Reform Plan (JRP), approved in 1999.

Projects FS/IRA/04/R34 and FS/IRA/05/S03 were designed to contribute to the reform process objective of ensuring accountability of the justice system. The third project (S12) addresses crime prevention and capacity building, and mutual legal assistance to combat international organized crime and money laundering.

Interaction between the Projects was considered with regard to specific outputs (like enhancing the ITC capacity of the Courts) as well as more generally, because of their indirect follow-ups: for example, strengthening the effectiveness in fighting OC, from a Rule of Law standpoint, implies more efficient Courts and well implemented fair trial provisions; effective AML provisions require Prosecutors and Courts specialized or with enough experience and capacity.

Due to the different stages of the Projects' implementation (S12 project started with 6 months' delay and the original three-year duration was then extended), the current one remained the only one carried on by UNODC in the RoL field.

The added value of the cluster approach to the Rule of Law issue was the strategic view of the interdependence between different aspects of a wider problem. This comprehensive approach must not be lost.

C3. Country and Project context. The Project's origin and first implementation.

1. The project was formulated in line with UNODC Strategic Programme Framework (SPF) for Iran 2005-2007 to provide technical assistance to support identified objectives of Iran's Judicial 20 Year Reform Plan.
2. The Project's design assessed the threats to be dealt with, as discussed in the MTR and in the CR. Iran is one of the main conduits for illegal substances, originating in Afghanistan and destined for markets in Europe and the Persian Gulf region. The UNODC World Drug Report 2007 estimates that in 2006 out of all opiates that left Afghanistan, 53 percent were smuggled via Iran; new data (WDR 2009) suggests that most of the opium (83%; range: 71%-96%) and a large percentage of morphine and heroin (39%; range: 32% - 44%) exports from Afghanistan cross the border in the Islamic Republic of Iran.
3. A substantial portion is presumed (WDR 2009) to be absorbed by the Iranian internal market at enormous social and economic cost.
4. Iran commits a substantial effort to combating drug trafficking. Iran alone accounted for 25% of global opiate seizures in 2002; this percentage rose to 84% in 2007, reflecting larger internal consumption (2004 and 2009 World Drug Reports data). From 1979 to 2004, more than 3,500 law enforcement officers were killed in drug control operations. An even higher number of drug traffickers were killed or wounded as well.
5. As a result of drug smuggling, the availability of enormous amounts of illicit drugs, in the form of heroine and morphine in Iran's markets has resulted in drug abusers exceeding 1.2 million (2.8 percent of the general population, aged 15 – 65) (WDR 2007), with enormous social and economic cost. As a direct consequence, in 2004, 57.4% of HIV/AIDS infections were transmitted by drug injections, involving needle sharing. Iran runs extensive demand reduction programmes, including rehabilitation projects for drug addicts and HIV-AIDS programmes with the assistance of UNODC and NGOs.

6. The other effects of drug smuggling, including money laundering and consequent corrupt practices was not obvious until the late 1990s. It was not considered as a real threat, due to the widely presumed absence of conditions that allow the operation of money laundering in the Iranian context: the isolation of Iran from the international markets, the Islamic oriented banking system, the non-convertibility of Iran's currency, and the lack of documentary evidence of the scale and the relationship between money laundering and internal criminality.

7. The increasing scale of drugs smuggled through the Iranian territory - of which a substantial part is sold and consumed inside the country - changed the perception. The legalization of free exchange market in 2000 revealed the scale of the informal economy, largely running contraband commodity trade, and creating larger money laundering opportunities. This situation generated an increasing number of corruption and economic crime cases that shook Iran's power structure, prompting the Supreme Leader to denounce economic crimes and corruption as major threats to the Iranian economy and call for the launch of a national campaign in 2001.

7. A Judicial Reform Plan (JRP) was then launched to reinstate the rule of law, as a strategic framework that responds to the long-term needs of Iran. The Judicial Reform Plan comprises three inter-related elements that will affirm accountability of the Judiciary through improved efficiency, effectiveness and public trust in the delivery of justice by: i) amending the legislation to conform to international legal instruments and standards; ii) establishing appropriate structures, and iii) improving management systems. The central objective of the JRP is to make the Judiciary fit for the purpose; improving its capacity to strengthen rule of law, which has been threatened by transnational organized crime fueled by drug trafficking and money laundering and accompanying corruption.

7. UNODC dealt with such an approach, adopting a SPF which addressed links between different aspects of a broad national problem. From this perspective UNODC considered assisting Iran's commitment to combat drug trafficking as a starting point for more comprehensive technical assistance to tackle the resulting forms of organized crime, above all money laundering.

C4. Recent modifications in the Country context

1. The internal Iranian context altered after the MTE. Soon after the delivery of the MTR, a period of intense political struggle began. The political elections held in June 2009 were followed by serious confrontations within the political parties that extended to mass protests in the main cities. No complete, reliable and official information is available about casualty figures and people imprisoned or executed. News in the press reported also disappearances of people suspected of being involved in the protest organization. Such events determined a vigorous reaction from the international community. Analogous concerns were expressed by the representatives of the MDG, during the meetings with the E.; it was specifically stressed that the above mentioned situation could affect the European Countries' willingness to further support bilateral and multilateral cooperation in the Judicial (or Judicial related) field.

2. On the other hand, the International context has direct influence on the IRoI's approach to sensitive political issues as a whole, including the specific fields of UNODC Project, mainly MLA and AML. That is not limited to the participation of Iranian counterpart in the Project implementation (and even in the SC meetings), as discussed below. More significantly, Iran claims that the weak control on the Afghan territories at the borders with Iran, as well as drug smuggling through Sistan Baluchistan, are aimed at destabilizing the IRoI. Most of the Iranian counterparts, moreover, quoted the nuclear issue as an obstacle to further international cooperation.

3. As a consequence of the political elections, significant modifications to the decision makers' organigram (in the Parliament, the Executive and the Judiciary as well) were introduced. Remaining within the scope of this report, Head of the Judiciary was appointed Ayatollah Sadeq Larijani, who appointed the new First Deputy of the Judiciary, Ojatoleslam Seyed Ebrahim Raisi, responsible for relationship/relations with UNODC. Mr. Ali Rasini was then appointed Head of the Office of Legal Affairs of the Judiciary, while Mr. Alireza Saedi became O-i_C of the International Affairs Department of the Judiciary. So, almost all UNODC interlocutors' line suddenly changed, while links built in years of common work had to be restarted.

4. In spite of such changes, the 20 Year Reform Plan of the Judiciary is going ahead. The Third Phase of the Plan (2009/2014) is currently under consideration or amendment of the new Head of the Judiciary for his final approval, after having been drafted and discussed by the appropriate stakeholders within the previous Judiciary's establishment. The draft of the new 5 years Judiciary Programme was delivered to the E. during the meeting with representatives of the Judiciary; its index was translated into English by UNODC in order to eventually follow up this process as soon as and if it will be launched. In the words of Mr. Hossein Akbari, Head of Legal Affairs Office and Head of the SC, no significant modification to the former plan was introduced. In the meetings with the E., the Iranian stakeholders in the Judiciary confirmed Iranian willingness to continue to be assisted by UNODC in such an effort.

5. On the other hand, since a few months that preceded the political elections, the availability of Iranian counterparts (mainly the Judiciary) in meeting UNODC became more difficult. The last PSC meeting was held in March 2009. The PM was not able to summon the PSC and PRC until February 2010. The PM kept the channel open through informal contacts and by implementing the scheduled activities (albeit with delays). The activities of the IC in Iran as a whole suffered even more serious problems. In such a context, UNODC remained the most, if not the only, active and reliable channel in the cooperation field (see EM.s with Donors, MDG, UN Resident Coordinator). That is due to two main factors: the reciprocal trust, built up over the years, which was not shaken by the new above-discussed situation; the strong commitment of IR authorities to achieving greater effectiveness in fighting drug trafficking.

6. As a matter of fact, the challenges that IR must face had not changed. First of all the lack of transparency, accountability, efficiency in the Judicial field, addressed by the S12 Project as well as the other related Projects, discussed under S03 and R34. The struggles following the political elections show how important it remains for Iran. The issue was at the top of the agenda during the Seventh Session of the UN Human Rights Council¹, as well as that of the persistency in Iranian Law of provisions not consistent with the Rule of Law. Recommendations from many Countries, dealing directly with the respect of the RoL², enjoyed the support of the Iranian delegation, headed by the Secretary General of the High Council for Human Rights, Judiciary, Mohammad Javad Larijani; other recommendations would be considered in the future.

¹ Human Rights Council, Working Group on the Universal Periodic Review, Seventh session - Geneva, 8–19 February 2010. Draft report of the Working Group on the Universal Periodic Review

² Inter alia, measures against torture or other cruel, inhuman or degrading treatment or punishment; right to an effective and impartial judicial system and to a fair trial; accountability of the Judiciary; respect the human rights of prisoners and detainees; adequate investigative and judicial enforcement of the legal provisions against torture, alleged abuses, illegal detention, forced disappearance.

The Iranian delegation cited judicial and criminal law reforms, among the examples of the role of the Iranian parliament in promoting human rights through legislation and the establishment of new programmes.

While aggression against HR is considered a criminal offence by the IR legislation, no comprehensive information (to say the least) has been delivered by the IR Authorities about investigations and public trials. The same lack of information affects the present evaluation.

7. A main challenge remains prevention and suppression of major crimes, including organized crimes, drug trafficking and money laundering. To the existing well known context, it must be added, as a recent achievement of the LEAs and other sources, that Afghan traffickers have begun to produce and smuggle large amounts of cannabis and its derivatives. Mainly, cannabis is smuggled in its refined resin derivative. That, in the words of Ambassador Mahmood Bayat, Director General, International Relations Office, Drug Control Head Quarter, affects Iran in a different way than in the past: the traditional consumption of cannabis leaves is turning to hashish, which is more attractive for the young generations.

8. In such a context what is really important is the new awareness, shared by Iranian stakeholders, the International Community, the Donors and the UNODC experts, that the problem cannot be addressed out of a regional and sub-regional approach. Afghanistan, Pakistan and Iran have been involved in a number of Triangular Initiatives in this field; other Countries of the Region are involved too. This new approach could soften the IR concerns discussed above.

9. Drug trafficking remains therefore one of the main concerns of IRoI. The real direct and indirect effects on Iranian society have not yet been assessed, for the lack of studies (grounded on real information about results of investigations and trials and researches on the spot). It must be noticed that the figures of addicts (and person involved in related problems, like HIV-AIDS) have not diminished, in spite of the commitment of Iranian Authorities in fighting drug trafficking and of the indubitable results achieved in terms of arrests and seizures. That is a clear indication that there is an internal market and that the problem, from a criminal policy point of view cannot be reduced to the transit issue, while the problem of internal criminality should be specifically addressed.

10. In such a context, the Judiciary remains committed to consider, in implementing the Judicial and penal Reform, de-criminalization, as well as diversion and alternatives to imprisonment. However, concerns have been expressed about the indirect effect of the de-criminalization on facilitating misconduct.

11. Money laundering is another sensitive issue, directly related to drug trafficking. It is well known that illicit assets coming from drugs are only a part of a wider problem. Opportunities for illegal affairs prosper in an economic system in which transparency is not the priority. For this reason, FAFT/GAFI considered IRoI as a country not complying with international standards and with the 40+9 Recommendations, in spite of the important results achieved by Iran in the AML field. It is clear that Iran has achieved considerable results on AML in a very short timeframe but it has also to be highlighted that there is no legislation on CFT and that a number of legal, practical, control and coordination mechanisms have to be put in place at all levels in order to be in line with FATF recommendations. In this regard UNODC facilitates bilateral contacts between the Iranian FIU and FATF as a wise and effective police to improve the domestic legal framework.

12. Internal and International problems also affected the ratification of the UNTOC Convention and the signing and ratification of the International Convention on CFT. Iranian stakeholders answered the E.'s concerns about such delay, vis-à-vis the scheduled timing discussed during the MTE, by claiming that Iran is going to sign (and at the same time ratify) the CFT Convention in a very short time (in the coming weeks, it was said). Regarding the UNTOC Convention the ratification process would take more time, considering the needs for a careful examination of its fallout on Iranian laws. No objections of principle were raised; on the contrary, Ambassador Panahi Azar, Director General, International Legal Affairs, MFA IRoI, expressed his strong opinion that the process will be finalized within the current (Iranian) year (March 2011). In this regard, in line with previous recommendations, it is imperative to maintain active the UNODC RoL unit in Iran in order to assist Iran in the correct implementation of the Convention in its legal/institutional framework,

13. The Tehran-based MDG representatives met in the course of the mission expressed serious concerns about Iranian commitment in complying with Rule of Law oriented reforms. At the same time they shared the opinion that there is no other possible alternative to promote judicial reforms without continuing supporting UNODC's endeavours in Iran.

14. The events following the general elections had a negative impact on international cooperation as a whole. Mini-Dublin group activities in Iran have virtually been on hold since the Presidential elections on 12 June 2009, as stated in the 18 January 2010 report on implementation of the June 2009 Brussels-recommendations. Nevertheless, it is stated in the MDG report that, given the scope of the drug-problem and its international characteristics, there is little doubt that cooperation has the potential to be mutually beneficial. Technical cooperation and contacts in this field can also serve as a starting point for broader cooperation in the medium-term future. UNODC – through its presence and the implementation of its programmes – ensured a minimum level of continuity in cooperation.

As stated in the quoted report, probably more than in any other country, the UNODC Programme in Iran constitutes the backbone of cooperation with the local authorities, ensuring a minimum level of cooperation and continuity also in a difficult political environment. MDG stated that UNODC's constructive approach and dialogue with Iran and its day-to-day cooperation with various national counterparts and line Ministries has facilitated progress in many important areas, quoting expressly inter alia the Establishment of the "Financial Intelligence Unit". However, substantial efforts remain necessary as to the policy-implementation. From the MDG point of view, further encouragement is thus needed.

As a conclusion, MDG recommended to:

- *Continue encouraging regional cooperation (Triangular Initiative, ECO)*
- *Support UNODC activities and projects – both financially and politically*
- *Start discussions about establishing a new multilateral assistance programme on drugs and crime for Iran.*

15. The cluster evaluation of the UNODC Rule of Law Projects held in 2008 concluded that Iran was playing a significant role in keeping Iranian policy makers engaged with the international community through implementation of the Rule of Law projects. Such a conclusion is confirmed with reference to the S12 Project in an even more difficult political environment. The Iranian policy makers, the Donors and the ambassadors of the EU member states interviewed by the Evaluator during the 2010 mission shared the vision of UNODC as a "bridge" between the I.R. of Iran and the international community in Iran.

D. Project Extension

D1. Terms of extension

Project IRN/S12 approved duration was 3 years starting from January 2007 till December 2009, with a total approved budget amounting to 1,660,000 USD.

In accordance with the terms of the Project Revision Document, adopted by the PSC and Donors in March 2010 and approved by UNODC HQs in April 2010, the Project duration was reviewed and extended till January 2011; the budget was supplemented by Italy with 259,871 USD.

The Project's extension deals with three issues.

1. Money laundering- study and improve investigative capacity on (i) real estate market, (ii) cash transaction (iii) the illegal trade in cultural property, art and antiquities and (iv) illegal use of cyberspace (financial/economic fraud).
2. Organized crime – study the introduction in Iran of a witness protection programme as a legal/judicial tool to fight crime and money laundering more effectively.
3. Mutual legal assistance – to promote and facilitate legal/judicial cooperation with foreign jurisdictions (in particular among countries which are part of the Triangular Initiative, namely Afghanistan, Pakistan and Iran) through MLACA/FPs.

The Revised Project will act within the already established objectives/outcomes.

To the Outcome 2 a 2.5 output was added, focused on studies on legal/institutional/ITC measures to cope with the above-mentioned issue 1. A Seminar would be organized as a key activity, dealing also with issue 3.

In the Outcome 3 the issue of witness protection is added (3.5) and addressed through a workshop with UNODC and International experts (act. 3.5.1).

Outcome 4 is integrated with a 4.5 output, aimed at promoting MLA in the region concerned, mainly through the establishment of MLAFP in the three Countries; activity 4.5.1. (a seminar and a meeting to be organised on such items).

D2. PE approval proceeding

The Project revision was decided in the correct way, following the indications provided by Evaluators in R34 Project Final Evaluation and in S12 MTE. The timing of the proceeding was affected by the more general above-mentioned problem that prevented the Iranian counterpart from being continuously available in the PSC and in the PRC. The PM overcame such a difficulty by addressing the donors and the National stakeholders separately and collecting opinions and finally consensus. As remarked in other part of the Report, in the decision-making process all the Iranian stakeholders were progressively involved.

The PE document is well prepared and the different issues at stake correctly addressed and discussed.

The PE is grounded on new funds, provided by Italy.

The PE document was sent to UNODC HQs for approval in April 2010. HQs approved it during the E's M. (reported by the PM).

D3. Implementation of the PE

In spite of the above mentioned timing problems, some parts of the PE activities were implemented even before the final PE approbation. That should not be considered as a fault, considering that the activities had been previously discussed with the counterparts and in any case were within the overall scope of the S12 Project to counter transnational organized crime, money laundering and promotion of mutual legal assistance.

D4. Findings

The Project extension is within the scope of the original Project Document

There is no doubt the MLA in the perspective of the Triangular Initiative is within the scope of the Project, that being one of the main fields of UNODC cooperation in Iran and the T.I. specifically identified as the most productive way of addressing all the implications of the Afghan problem regarding drug production and smuggling.

The same must be said regarding the witness protection programme, which is an important part of any anti-organized crime strategy and an anticipation of the UNTOC Convention implementation. Furthermore, witness protection programmes were mentioned under MLA issue (output 4) of the original Project document.

Regarding issue 1., the kind of transactions identified is very important and already partially addressed by the Iranian counterpart, as acknowledged during our meetings (see AML bylaw, regarding cash transactions). In this context, the field of antiquities' trafficking appears particularly important. This form of criminality has become one of the most important and its links with ML have been correctly recognised in recent international discussions and in the operational activities of LEAs.

The PE comply with UNODC provisions

Combating Antiques' smuggling is not expressly mentioned in the UNTOC. Nevertheless the General Assembly in the resolution 55/25 stated that is "*Strongly convinced that the United Nations Convention against Transnational Organized Crime will constitute an effective tool and the necessary legal framework for international cooperation in combating, inter alia, such criminal activities as money-laundering, corruption, illicit trafficking in endangered species of wild flora and fauna, offences against cultural heritage and the growing links between transnational organized crime and terrorist crimes*".

Therefore there is no doubt that it could be dealt with under the Palermo Convention provisions, considering the seriousness of the criminal activities and their connections with organized crime and ML. This innovative approach of the PM started in 2008 and received high level international support in a number of institutional settings. In this regard a number of activities had been organized under IRNS12 project to further raise domestic awareness on this matter and promote UNODC technical

cooperation to national authorities. To remain with the most important and directly related to this Evaluation, the following should be stressed:

- In the International Seminar on Trafficking in Cultural Property, organized in Rome by the Ministry of Culture of Italy (December 2009) a presentation was delivered by a UNODC Expert (Ms. Grassi) on the international legal regime applicable to trafficking in cultural property, in particular the United Nations Convention on Transnational Organized Crime. This approach was shared by the participants and adopted in the conclusions of the Conference³.
- An Expert Group, met to prepare the Nineteenth Session of the Commission on Crime Prevention and Criminal Justice⁴, and concluded that UNTOC should be considered as a tool to protect against trafficking in cultural property.
- Such an interpretation was expressly recalled by the Secretary – General in his Report on Protection against trafficking in cultural property⁵, in which he mentioned also the Economic and Social Council’s 2008/23 resolution, that “urged Member States and relevant institutions, as appropriate, to strengthen and fully implement mechanisms to strengthen international cooperation, including mutual legal assistance, in order to combat trafficking in cultural property”.

Protection of the witnesses is specifically considered under art. 24 of the UNTOC.

The Triangular Initiative on RoL and AML is considered under the so-called UNODC Rainbow Strategy.

Effectiveness: The PE answers to specific IR needs. It should be stressed that the three areas have been selected by the Iranian stakeholders and that they were outcomes from the previous Project implementation.

It is important to remark that the PE in the TI field is not merely a transposition of what is envisaged by the Rainbow Strategy. The effort of the PE seems to be a more specific implementation of that Strategy in the Rule of Law area. Sub-regional cooperation is a key issue for Iran, both from the point of view of combating OC and of improving MLA.

Witness Protection could help in introducing an approach to the enforcement of anti-organized and drugs related crimes legislation, more consistent with the Rule of Law.

Regarding trafficking in antiquities, the PE approach could open a wider field for further cooperation. The extraordinary cultural heritage of Iran makes this Country a target for illegal activities; the latter can be linked to OC and to ML. Iran is becoming day by day more conscious of the importance of protecting such an inestimable heritage. At the same time, the International Community is taking new steps towards ensuring a complete and effective protection of cultural property. So the two paths could merge and the cooperation between Iran and the involved Countries be enhanced. From a more general point of view, that would increase the Iranian capacity in MLA. Impact At this very preliminary stage of

³ Press release: “The participants shared the conclusion that the UNTOC (Palermo Convention) is one of the most important means of fighting [cultural heritage] smuggling and applicable to trans-national offences, committed by organized groups, for which sentences in excess of 4 years are envisaged” (E. translation from Italian).

⁴ To be held in Vienna 17-21 May 2010

⁵ Released on 23 February 2010

implementation it is hard to analyze the new items' effects on the Iranian legal and institutional context. However it is possible to state from now that the Triangular approach to cooperation resulted in increasing the opportunities for direct links between the countries concerned. That is particularly evident in the field of AML, where FIU took relevant initiatives. As a matter of fact, in the coming months, Tehran will host the first Triangular Meeting of the Heads of the FIU of Afghanistan Iran and Pakistan, with UNODC assistance under S12 Project. Furthermore, Afghan and Pakistan representatives and experts will attend a Training-seminar, to be organized by FIU next summer. Regarding the Witness Protection issue, the Judiciary is considering appropriate amendments to the criminal law now under discussion.

E. Actions and achievements based on Recommendations of Mid Term Evaluators

Recommendation 1 – Inclusion of donors and stakeholders.

UNODC and the Iranian counterparts should include donors and other national stakeholders, who directly or indirectly contribute to the judicial reform process and/or to project objectives, in the Project Steering Committee/Project Review Committee.

The PSC/PRC is now composed of:

Mr. Hosein Akbari, Advisor – Deputy to Head of the Judiciary, Office for Legal Affairs;
Mr. Ali Kazemi, Acting Director, Deputy for Codification, Office for Legal Affairs;
Mr. Meysam Nasiri Ahmad Abadi, Director General of the Financial Intelligence Unit;
Mr. Javad Kazemi, Counsellor, Ministry of Foreign Affairs – Legal Department
Mr. Ghasem Barmoz, Expert, International Affairs Bureau of Judiciary;
Mr. Ali Ghochi, Expert, International Affairs Bureau of Judiciary;
Mr. Danilo Rizzi, International Project Coordinator, UNODC Iran;
Ms. Shadi Safavi, Project Assistant, UNODC Iran.

Due to the internal and international situation above-discussed, the PSC met only on 9 February 2010 (PRC meeting), after a one year interruption (last formal PSC meeting in March 2009)

During this long period UNODC did not remain inactive. The Project Management pressed for meetings and maintained the channel open through informal contacts with representatives of Iranian stakeholders.

At the same time, UNODC met the Donors on a continuous basis.

In such a context, the Project Management (PM) addressed the recommendation in different ways. First of all, steps to include donors and main Iranian stakeholders in the PSC were taken. Unfortunately it was impossible to overcome the resistance opposed by the Judiciary, in the already discussed context.

Consequently the PM acted in 2 ways:

1. Regarding the donors, the PM continued the policy of constantly keeping them informed, sharing information and discussing initiatives. As a result, PSC and PRC have been held in a sort of progressive way, with the UNODC (secretary of the Committees) acting as decisions collector. An important follow up of such an approach was the way in which the Project document was improved, in order to comply with the donor's indications.
2. The PSC and the PRC have been integrated with representatives of the Ministry of Finance and MFA. Though a formal decision in that direction was not taken, as a matter of fact representatives of the Bodies participated in the PRC at the same level as the Judiciary. At the 9 February meeting, the decision about extending the activities under the S12 Project was a majority deliberation, while the Judiciary agreed in principle but suspended its final decision, due to the pending authorization by the Head of the Judiciary.

It must be stressed that in the 9th February 2010 meeting the PRC was integrated with representative of all the National Parties involved.

Conclusions:

1. The PM took the appropriate steps to deal with the issue.
2. The target was not completely addressed.
3. That was an effect of the above-discussed more general state of relations between Iranian stakeholders, the International Community and UNODC.
4. The PRC held in February 2010 was an important breakthrough in the right direction.

Challenges

If not completely in agreement, the Judiciary could react by slowing down the decision making process even more.

Recommendation 2. A comprehensive training programme.

The project should develop and implement a comprehensive training programme, during the remaining months, for relevant judicial and law enforcement staff, including judges, prosecutors, and those directly involved in the use of appropriate tools for gathering and processing information on money laundering.

Really important results were achieved in this regard, in spite of the lack of funds. Not only did UNODC directly organize seminars and training activities, but it also promoted the establishment of a permanent Training Centre within the FIU. This can be considered as a core outcome of UNODC Project and consequently will be discussed in the relevant paragraph.

Challenges

The Judiciary should be involved on a permanent basis in analogous training activities. Lack of funds can affect a well organized programme of continuous training.

Recommendation 3. Regional cooperation.

The regional and sub- regional approach to organized crime should be supported by initiatives devoted to enhancing the relationships between the countries concerned and to overcoming the difficulties deriving from different legal and institutional frameworks.

The suggested approach has become a main road in the Project's implementation. Furthermore, the Project was reviewed with the goal of more effectively addressing the problem, as discussed in & D. Triangular seminars were organized or are under way in the AML and in MLA fields. Regarding the second part of the recommendation, UNODC continued to provide all the Iranian Institutions involved with appropriate information about the legal/institutional modifications required to enhance cooperation with other Countries. An important step in such a direction was the distribution to the competent authorities of the UNODC software for MLA. As discussed in the relevant paragraph, the software has great relevance in helping the users in identifying the gaps or the disharmonies that compromise the effectiveness of (the) international cooperation.

Challenges

Delays in appointing the MLAFP/CA by the Judiciary could affect the implementation of the activities. Iran should guarantee a continuous engagement in the Triangular Initiative. Judicial cooperation between the three Countries should be specifically addressed, starting from the case management.

Recommendation 4. Organized crime/de-criminalization.

Under the ongoing Judiciary reform process, wide de-criminalisation is under consideration. Decisions on de-criminalisation should take into account the effects and implications on the prevention and control of organized crime.

Notwithstanding the PM's efforts (missions of International Experts; missions to Vienna; workshop on the witness protection programme and so on) UNTOC Convention has not yet been ratified by the Islamic Republic of Iran.

At the same time, Iranian policy makers' awareness of the importance of de-criminalisation (also in the perspective of enhancing the capacity against o.c.) has increased. De-criminalisation, as well as measures alternative to punishment and diversion, is envisaged in the new penal code (under discussion).

Since S12 Project remains the only UNODC RoL project in Iran, present and future RoL initiatives under mentioned project should consider and address recommendations and shortcomings identified in the final Evaluation of R34 and S03 projects (November 2008).

Challenges

UNTOC Convention ratification depends on the international context.

De-criminalisation, measures alternative to punishment and diversion, are important parts of a comprehensive strategy against organized crime with a Rule of Law approach. Concerns about compatibility between these measures and crime prevention (expressed by DCHQ) could affect their endorsement.

Recommendation 5. IT/e-court programme and organized crime

The ongoing implementation of the IT / e- court programme should consider accommodation of a sub-system for organized crime case management within the system.

As a result of UNODC activities (namely Study mission to Italy and Vienna; high level technical mission of Italian Experts to Tehran) a comprehensive report on a data-base software on organized crime was delivered. It is conceived with a view to being linked to the existing Iranian data-base and network.

Challenges

While the development of the ad hoc software (based on the above-mentioned report) and the provision of the hardware fall to the Iranian budget, lack of funds does not enable UNODC to continue to assist the programme implementation and to provide Iranian authorities with the necessary information and training.

Continuity of the UNODC action in this matter should be assured

Recommendation 6. Monitoring tools

Evaluation recommends improving on current monitoring tools in use by project management: start to use work-plans, to allow monitoring and comparison of

implementation status of project outputs and activities against agreed time-bound plans; and include funding information and status needed to realize outstanding project outputs and activities in order to help the PRC and senior project management take necessary steps to ensure availability of funds on time.

Correct action has been taken by the Project Management to comply with this recommendation.

The Project Management used work plans, TOR and semi-annual and annual Reports. Detailed accounts of expenses related to work are annexed to the TOR. In addition PM regularly completed a calendar of the P. implementation, with actions undertaken, postponed or programmed, and reasons for changes in the scheduled agenda. This documentation was useful in monitoring the real progress of the P., the difficulties faced and the way in which the latter have been solved.

Evaluation Questionnaires have been distributed at the end of the main activities in order to seek the comments, rating and evaluation of each event from all participants (Iranian and International).

The Evaluator checked the questionnaires collected. The questionnaires were often filled with remarks or suggestions; ratings present differences and there are cases in which the answers are not positive. Positive and negative remarks are often expanded in the appropriate section of the questionnaires. All these must be considered indicators of the questionnaires' genuineness.

The E. was told by the PM that ratings and suggestions (positive or negative) were taken into consideration. One of the repeated observations in the questionnaires is the request for continuity in delivering assistance (for example, the need for previous distribution of working material or the willingness to keep on with analogous activities).

Distribution of questionnaires proved to be a good monitoring system and a best practice that should be adopted by any Project Manager in order to ensure due diligence and transparency of his work before domestic counterparts, donors and HQs. The PM should make sure that everybody fills in his form.

Funding information is now available on a continuous basis. UNODC reported to the donors. PM complied with the specific request of the Federal Republic of Germany to report in a pre-defined way. PM sent the Donor a structured report, in which activities, partners, timing and costs are specified.

PM compiled a list of people involved in the Project activities, split up by institutional position, when possible. The interpretation of figures about people involved in the activities should consider that a part is related with Corruption Day Meetings, not directly organized under the S12 Project; UNODC contributed to promote such initiatives but did not fund or organize them. Even so, the figures are impressive and clearly representative of the efforts of UNODC under S12 P. to involve Iranian officials in the activities. More important than the number of people involved is their level within the IR institutions and their position, as relevant stakeholders or operational officials, in the specific fields concerned.

A direct confirmation of such a conclusion comes from the activities reports, in which name and status of participants is presented.

Challenges

Due to the already discussed context, the planned timetable was not respected. That rendered monitoring the Project implementation even more difficult.

Recommendation 7. Developing indications coming from previous outcomes.

UNODC Iran should develop a project concept on the basis of selected strategic recommendations made in the outcomes of thematic seminars/workshops and reports of study tours organized to Italy and Thailand.

As above discussed, the PM used appropriate work plans and reviewed the Project in the correct way, in order to take into consideration suggestions coming from the activities carried out in the meantime. As a matter of fact, UNODC achieved the main target of getting the FIU established and working, with an appropriate structure of permanent training which has to be considered as a center of excellence in the region; IT software-scheme was drafted, as a result of Italian and Thai study missions, and delivered to the Iranian authorities; an operational UNODC MLA software was delivered as a consequence of the mission and training UNODC HQs in Vienna. The Software will enable Iranian to deal in a more effective way with counterparts in the international cooperation field.

Furthermore, indications coming from Experts, missions and workshops brought PRC to address them in the correct way, extending the Project to new fields, related to the previous ones.

PM also drafted a number of valuable RoL project ideas based on Iranian and international experts/evaluators' recommendations to be submitted to domestic counterparts and international donors. This is also a good practice adopted by the PM to prepare the ground for further technical cooperation with Iranian stakeholders in areas of mutual interest.

F. Project output implementation

Output1: Setting up a Project Management Unit (PMU) in the UNODC Office in Tehran for the regular functioning of the Project Steering Committee (PSC), the preparation and updating of the project work plan, the organization and implementation of meetings, seminars, and other project related activities.

The Project Management Unit was established in the proper terms and timing. PM worked in the correct way in drafting the required documentation. All the MTR recommendations in this regard have been addressed, as above-discussed.

Adequate monitoring tools have been implemented, even if in the not sufficiency of specific indicators. In order to be more effective in the Project implementation the PM carried out a comprehensive reconnaissance of the Iranian political and institutional context⁶ related to the three Project's pillars. This valuable document might pave the ground for a more comprehensive thematic research as recommended in the past by International Consultants to the project.

The PM ensured close involvement of key Iranian counterparts and ensured national ownership in the implementation of the project through the formal mechanism of the Project Steering Committee (PSC) and Project Reviewing Committee (PRC).

The PM concentrated its efforts in involving in PSC all the relevant national authorities. Significant successes were achieved with the finalization of the PE.

Extensive examination of project activity reports, annual and semi-annual progress reports, PSC meeting minutes and interviews with key stakeholders reveal that the PRC has undertaken important policy and implementation decisions, including: extending the Project duration and activities, adopting project work plans, reviewing objectives of thematic seminars; preparing terms of reference of study tours and list of participants; and reviewing project progress reports and deciding on adjustments, as required.

UNODC Iran has been regularly briefing the Mini Dublin Group and EU member States on the progress of project implementation and extension. It is, however, best practice for PSC/PRC to include donor representatives. PM operated in such a direction and tried to overcome the Iranian opposition by doubling its efforts in keeping the Donors informed and indirectly involved in the decision-making process.

PM suffered as a result of uncertainty as to the duration and stability of the Project, due to lack of funds.

Output 2: Strengthening capacities for the implementation of the anti-money laundering measures

Output 2 indicator:

- Promoting legislative initiatives to adopt anti money laundering legislation.

⁶ Research on the I.R. of Iran Judiciary system, organized crime, money laundering and mutual legal assistance (10 April 2010 – D.Rizzi, M.Stancati, V. de Vitiis). The research was accomplished in house with no costs to the project.

- Providing Iranian judges and prosecutors as well as law enforcement and other executive institutions with needed legislative and investigative tools, based on international best practices, for enforcing relevant anti money laundering laws and regulations.

The Anti Money Laundering Law was enacted on 22 January 2008 and entered into force the following 14th of March. The impact of the UNODC assistance in the proceeding was discussed in the MTE Report.

AML Bylaw was approved and came into force on 8 December 2009.

The AML Law and Bylaw were translated into English. It is outside the scope (and competence) of the Evaluation to examine the regulation more thoroughly. From a rapid survey, it seems that all the main points are addressed. Furthermore, the efforts made to ensure that all transactions take place in the light of day are evident (initial and full identification of the physical individuals and legal entities, with attribution of codes to be used in the transactions – cash transactions are prohibited over a given threshold while other forms of transferring money are subject to control and report); proceedings about reporting suspicious transactions are carefully designed, while specific attention is devoted to the attribution of responsibility within the financial Institutions.

UNODC assisted the Iranian authorities in identifying main topics to be addressed in the bylaw and provided them with panoply of tools, intended to enhance their capacity and efficiency in the field, like translation of the main international legal instruments or delivery of tailor-made software.

The main achievement of the Project implementation is – in our opinion – the establishment of the Financial Intelligence Unit. The Project devoted a considerable effort to this target. The issue was discussed in a number of workshops, meetings, missions abroad, and experts' missions.

The FIU was established in December 2009, with a ceremony attended by representatives of the Donors and of the International Community. Representative of more than 30 States or International Entities were present at the ceremony. This was one of the few official events with the participation of such a number of foreign representatives, we were told.

The E. visited the FIU premises and met Dr. Asghar Abolhasani Hastiani, Vice Minister of Economy and Financial Affairs and Executive Secretary of the AML High Council, and Mr. Meisam Ahmad Abadi, Executive Director of the Iranian Financial Intelligence Unit.

The Iranian representatives acknowledged UNODC assistance in drafting AML bylaw and implementing comprehensive AML activities. In the meeting the issues related to the effectiveness of the FIU's first steps in the operational activity were also discussed.

The FIU organized a permanent AML Interactive Training Center (Output 2/ Activity 2.2 – 2.3). The TC has its own premises within the FIU building. A large hall hosts about 15 computer workstations, in a comfortable environment. An English and Farsi plaque at the entrance mentions the UNODC contribution to the Training Center.

The training is based on a specific programme that progressively covers the entire matter thoroughly. At the end of each stage a certification is delivered to the participants that enables them to proceed to the following stage. Training is scheduled on a systematic basis and involves officials coming from different

professional backgrounds and localities. 22 hours of training have been delivered since the TC establishment and 32 trainees (12 of them passed every training module) from relevant institutions took part. Training sessions are scheduled for the next three months. Feedback reports from the participants are acquired. The software will be updated when required.

The TC was funded mainly by the Iranian counterpart. As a matter of fact, UNODC pointed out since the mission to Thailand 6/9 April 2009 (aimed at acquiring knowhow on this specific issue) that “S12 Project had not funds to procure hardware and software for the purpose, but it could provide human resources and qualified expertise on this issue” (Mission Report). So the hardware was entirely provided by the Iranian authorities, while the software was developed with the assistance of UNODC.

The first AML computer based training was launched on 13-19 September 2009 with the assistance of a UNODC ITC expert from Thailand’s Regional Office. UNODC provided the legal instrument for the FIU activity as well.

Regarding the operational activity, the E. was told by the FIU representatives that more than 400 reports from financial Institutions (mainly banks and insurance companies) were delivered to the FIU. FIU processed the reports and noticed that a large part of them do not comply with indicators or proceedings. So, FIU took the appropriate measures, developing a software to be used by the financial Institution in sending the reports. The reporter has to follow a guided path that simplifies the proceeding, at the same time as teaching him the right way to operate.

In the words of Mr. Ahmad Abadi, FIU priority is to set up effective mechanisms, which will require UNODC assistance, to improve SFTs in a learn-by-doing approach.

Comparisons with other Countries’ experiences, under S12 Project, enhanced awareness about the need for coordination with other bodies involved in the AML issue. Consequently the Ministry of Economy asked the Parliament to introduce into the draft criminal code, under discussion by the competent bodies, amendments aimed at:

1. improving coordination/cooperation mechanisms between FIU, the Judiciary and the Law Enforcement Agencies.
2. considering the SFT produced by the FIU and sent to Judiciary as a Law Enforcement document (not just a piece of information).
3. empowering the FIU to seize and freeze assets stemming from or linked to money laundering and financing of terrorism.

Apart from any comment about the consistency of such indications with the Iranian legal system (which the E. is not able to state at this stage), what is really important is the FIU commitment to fulfil its duties.

From the exposure of the Ministry of Finance stakeholders to experiences of other Countries (Austria, Italy, and Thailand) and from the experts’ indications, provided by UNODC, the FIU acquired awareness of the importance of MLA in the AML field, as well. As a result FIU is listed in the UNODC List of Competent Authorities under art. 7 (mutual legal assistance) and 17 (traffic by sea) of the UN Convention against illicit traffic in Narcotic Drugs and Psychotropic Substances (1988); among other things that enables FIU to use the UNODC MLA software.

In the words of Dr. Hastiani, UNODC technical assistance on AML issues strengthened Iran's firm motivation to expand international cooperation in this field with IMF and to join the Egmont Group. He expressed the will to improve the regional level of cooperation, through the Middle East and North Africa Financial Action Task force (MENA FATF).

This is a main point. In the last FAFT's Plenary Session, held in Paris, the chairman released a public statement (18 February 2010) on Iran.

It was pointed out, *inter alia*, that "The FATF welcomes the recent steps that Iran has taken to engage with the FATF, but remains concerned by Iran's failure to meaningfully address the ongoing and substantial deficiencies in its anti-money laundering and combating the financing of terrorism (AML/CFT) regime".

While this is a remarkable step, as regards the appreciation of the new Iranian commitment, absent in the former statement (released in October 2009), the evaluation as a whole remains critical and counter-measures are envisaged for the next Session (June 2010).

The core problem, quoted by the statement, is the risk of terrorist financing; the effective implementation of suspicious transaction reporting (STR) requirements is stressed, as well. It was impossible to get more information about specific remarks and data, grounding the judgment. It would be important to compare such an evaluation with the similar one, carried out at the same time by IMF; unfortunately the report has not been delivered to the Evaluator.

At the current state of information, two main points should be considered.

1. IR of I has not yet signed and ratified the International Convention on Terrorism (1999). There is no evidence of appropriate measures having been taken to adopt and implement effective specific counter-measures, in the meanwhile.
2. ML is a serious problem in Iran, considering the inextricable links with the wider issue of the economic and institutional system. As assessed in the Project documents (starting from the Strategic UNODC Plan for Iran) and in the Experts and Evaluators reports, the high percentage of submerged economy affects every aspect of Iranian economic life, extending its influence over the system as a whole. The lack of transparency is one of the most serious problems, specifically addressed by UNODC under the present and other related Projects.

The Evaluator was told by different Iranian sources, during the meetings, that the ICSFT would be enacted in the near future. That would be an important step in dealing with point 1.

The Iranian stakeholders appear to be aware of the centrality of actually implementing effective measures against ML. They are conscious of the difficulty and sensitivity of the task. The rising commitment of Iranian authorities was the issue of the Ministry of Finance and Economy and FIU's mission to Paris, under UNODC assistance.

The establishment of the FIU must not be looked at as a sort of decoy. As shown by what is discussed above, the FIU dealt with the complicated issues at stake, adopting a correct and comprehensive approach. The problem specifically mentioned by the FAFT statement (STR requirements) was addressed even before the remark.

Enacting new AML laws and bylaws, establishing the FIU, implementing a permanent training programme, improving the cooperation tools (all outcomes of UNODC assistance) it is not enough, in the context above-discussed, but it is certainly a good starting point. Supporting and giving such efforts the right value could help Iran in addressing the more general issue.

As a conclusive remark on the point, it must be stressed that the AML High Council is considering contributing to the funding of the S12 Project. This could be considered the best answer to the question on Project impact and effectiveness.

Output 3: Strengthening the Capacities in Iran to combat trans-national organized crime.

Output 3. Indicator

- Familiarize Iranian Judiciary and law enforcement agencies with modern technical tools and methodologies required for dealing with transnational organized crime.

The Output was addressed in different ways, linked with other outputs, in the MLA and AML fields.

With regard to the activities dealing more directly with the output under discussion, three main results should be identified, as outcomes of a number of implemented activities.

1. UNODC provided the Judiciary and the FIU with a compendium of Legal instruments, in Farsi and English, supported by a CD. After an attentive check, the database appears to be complete, well structured and very useful. In particular, the index is presented in the tree form, what allows the user to easily find the items being looked for. The main international instruments are presented, with all the tools needed to understand and use them effectively; specific attention is devoted to MLA in different fields. Issues such as Terrorism, Drug Trafficking, Organized Crime, and Corruption are addressed as well. Legislation, regulation, institutional organization of a number of States are presented, which can be useful in International Cooperation, in addition to the MLA UN Software. Translation of the main legislative or regulatory acts and relevant texts has been completed (translations done or commissioned). The PM complied with the MT recommendation (see & E). On the other hand, software aimed at updating the database has not yet been delivered. The issue may be solved with the implementation of the ITC programme, discussed below.

2. UNODC assisted the Iranian Judiciary in developing its own ITC on OC. Considered under 3.2 Activity, the original approach underwent significant improvement. The issue was discussed in the missions to Italy, Thailand and Vienna and in the subsequent workshops, like that on 19th January 2009 at the Edalat Court. It was the subject of insightful observations in the January 2009 Expert report and of specific recommendations in the MTR. Providing hardware was considered during the SCs and was excluded on the basis of the requests of IR Counterpart. IR is looking for a high level IT System, that must be supported by corresponding hardware, well beyond UNODC possibility under the S12 resources. The IT OC Database should have, in the shared approach resulting from the sources above mentioned, capacity on collecting data and processing information. Furthermore it is considered as a part of the wider effort of the Judiciary to build up an integrated IT system for the Courts (E-court programme, began under the 20-year reform plan, Stage 2, with the UNODC assistance, Project S34).

After studying SIDDA-SIDNA (Italian Database on Organized Crime), as well as other less sophisticated programmes, the Iranian stakeholders decided to develop their own system, grounded on a country-needs basis.

Assisting the Judiciary in such an effort was the S12 Project's principal target in this field. The bottom line of a preliminary draft was discussed in workshops in the E-court premises with UNODC and IR experts.

The draft of the Database project was then delivered in May 2009 as an outcome of the mission in Iran of an Italian Expert Team. It is under evaluation by the competent Authorities.

The Consultant Report recommended specific measures to be taken to ensure that the new database system for the Iranian Judiciary could be used also to manage the mutual legal assistance procedures (output 3 and 4 of the project work plan).

3. The Steering Committee identified, within the OC field, two more issues to be addressed: a witness protection programme and combating attacks against cultural heritage. The issue are discussed under & D.

The UNTOC has not yet been ratified. As pointed out in different parts of this report, the Iranian representatives met in the course of the mission attributed such a delay to the internal and international situation. As a matter of fact, since March 2009, when the former Head of the International Affairs of the Iranian Judiciary, Judge Gholamreza Mahdavi, identified the ratification as a priority and gave assurances about the forthcoming start of the process, no further initiatives have been enacted.

This stasis is a main concern, shared by the UNODC management and by the International community's representatives, and further delays could affect the core objectives of the Programme.

In spite of the UNODC efforts, the Iranian authorities do not address organized crime as a specific issue, not necessarily coincident with drug trafficking. This approach appears to be aimed at confining the entire problem to external threats (smuggling from Afghanistan; routes to western countries and so on). Contrariwise, assessing the internal threats is the only way to arrive at legislative and organizational measures, tailored to the real Iranian needs.

The Iranian authorities are engaged in a thorough revision of the entire legal apparatus. A part of the considered innovations has already been enacted, as seen with regard to the AML measures. More general improvements are still under way. It must be noted that the adoption of the envisaged modifications, in fields apart from O.C., appears grounded on well assessed considerations, also from a comparative point of view. What was stressed in the 20 Years Reform Plan – Stage 3 (Chapter V, Chart (3-5)) is of the greatest importance. On the basis of a comparative analysis, the Plan concludes that the enormous number of criminal cases pending “is mainly due to the negligence and the inefficient system of preventing crimes and also the unnecessary criminalization in recent years. For this, the decriminalization policy has always been one of the policies of the judicial developments and it has also to be reviewed in the third program”.

De-criminalization, as well as diversion and alternatives to imprisonment, are main topics in dealing with organized crime: inter alia it allows LEAs and the Judiciary to concentrate their efforts where the threat is stronger, enhancing their effectiveness.

The question was specifically addressed under related UNODC Projects, but it is important that it remains a main concern for every Rule of Law programme, even in the O.C. field.

In such a perspective, it is necessary to deal with concerns expressed (for example by the DCHQ) about the indirect effect of the de-criminalization on facilitating misconduct. In this regard Ambassador Mahmood Bayat underlined that some steps have been taken towards cooperation between DCHQ and other Iranian stakeholders (e.g. education and social institutions, factories) to work through a balanced and integrated approach in the field of drug prevention.

In summing the last observations, the prospect of continuing to assist the Judiciary in dealing with the required improvement in more effectively combating o.c. within a comprehensive Rule of Law approach is of the most interest.

Output 4: Promotion of mutual legal assistance between the Islamic Republic of Iran and other States.

Output 4 indicator:

- Promoting mutual legal assistance and cooperation between Islamic Republic of Iran and other states, inter-alia, in the areas of extradition, joint investigation, transfer of sentenced persons, establishment of criminal record, protection of witnesses, confiscation and seizure, disposal and recovery of proceeds and property derived from trans-national organized crimes, will be improved.

MLA has been addressed not only in the Activities under the relevant Project's output. It was a bottom line, qualifying the entire Project implementation.

There is no doubt that the exposure of Iranian stakeholders to experiences of other Countries and to examples of real international cooperation determined a new awareness about every aspect of mutual legal assistance. Such an awareness also includes the needed modification to procedural and substantive criminal legislation. This conclusion is shown by the follow ups of the study missions, as well as the FIU's first steps or the implementation of the MLA UN Software.

At the same time, there is evidence of backtracking over the past year in the Judiciary's internal organization. While the MLAFP/CA had been identified in the previous year, such decisions were then reversed. The lack of a FP is a very sensitive issue. For example, it means that the judiciary cannot be listed in the international information exchange network, already existent under UNODC.

In the meetings with Iranian PSC's representatives the Evaluator was told that the new MLAFP/CA would soon be appointed. The decision is under way. Immediately after that the Judiciary will join the FIU in the above-mentioned list and so be enabled to use UN MLA Software.

The UN MLA Software is an important tool for enhancing international cooperation. The software was presented to the Iranian authorities during the Vienna mission and discussed in following demos and workshops. It was immediately adopted by FIU, while the Judiciary is going to do the same, as soon as possible.

The Software will improve International Cooperation first of all by standardising requests and replies in dealing with foreign authorities; the guided path in introducing a MLA request is also a good training – by- doing system.

In the Iranian legal context, furthermore, it is at the same time the best indicator of a lack of homogeneity in the different legal systems and the consequent necessity of amending its own legislation. The dissemination of the MLA software could spread awareness of what must be done to comply with international requirements in combating O.C. and drug trafficking, while enhancing a Rule of Law approach to this issue.

The Consultant’s recommendation about integration of MLA software with the E-Court apparatus should be considered.

The Iranian Judiciary showed a firm commitment to enforce an actual cooperation, above all within the Region; a similar attitude was shown by the DCHQ. The rising awareness could be considered a direct result of the UNODC assistance under S12 Project: Iranian stakeholders from the Judiciary, the Ministry of Interior and the Ministry of Finance were systematically exposed to other countries’ experiences and were introduced to a number of direct contacts. It can be mentioned, inter alia, that the Judiciary signed or discussed MoUs with the corresponding Austrian, Italian, and Thai judicial Authorities, while operational contacts started with Afghanistan and Pakistan, under the Triangular Initiative, and with other Countries of the Region.

Closer relations have also been forged with Turkey and UAE (meetings to be held in the AML field under S12 Project)

Under the Reviewed Project, specific consideration is devoted to the Triangular Initiative.

A case study approach was suggested during the Evaluator’s meetings as a way to address in a more effective manner the difficulties met in the active legal assistance, as well as in the passive (the extradition issue was mentioned in this regard). This could be a really good suggestion, also in implementing further training activities. Nevertheless it could run into the information availability, which is a precondition of a real work-on-case approach.

It seems that room for such an experience could be found, at least in the field of AML-MLA, considering the interest shown by the FIU representatives.

Output 5: Launching of a nationwide training programme on mutual legal assistance, money laundering, organized crime and other relevant issues for judges and other relevant staff of the Judiciary, Police, Prison Organization, etc.

Output 5 indicator:

1. Iranian judges and prosecutors as well as the Police, Prison Organization and other law enforcement staff will have at their disposal the necessary knowledge and skills to tackle organized crime, money laundering and other related cases.

The Judiciary and Law Enforcement Agencies (Ministry of Interior and Ministry of Economy and Finance) have been exposed to a number of contacts with other similar bodies and with the experiences of other Countries, as discussed in the previous paragraphs. Seminars, Workshops,

Meetings were held in Iran and abroad, attended by a number of officials in key positions. Remarks, suggestions, proposal coming from those experiences were thoroughly discussed in subsequent activities and in the appropriate *fora* (PSC, PRC, Donors etc.); as a result, new activities were scheduled and improvements achieved in the legal Iranian context.

The following main activities related with/to the output should be mentioned, held after the MTE.

- ¾ 9th - 13th November 2008, International Seminar-Training on **Combating Organized Crime, Money Laundering and promotion of Mutual Legal Assistance**, Tehran, (Activities 2.2, 2.3, 4.3, 5.1, 5.2). Presentations were delivered by national and international experts and practitioners. In particular, in the context of an overview of mutual legal assistance practical procedures and international best practices regarding organized crime and money laundering, for the first time the Witness and cooperating defendant Protection practices were addressed.
- ¾ 12th - 14th December 2008 Workshop on **Organized Crime in Art and Antiquities** (3.1, 3.4, 4.3, 5.2, 5.4), Courmayeur (Italy). UNODC-Iran facilitated the participation of an Iranian delegation. Illegal trade and smuggling of art and antiquities with regard to the globalization of organized crime was the main issue addressed. The Iranian stakeholders suggested a modification in the Project, as a feedback of the workshop, then implemented by the PRC.
- ¾ 15th - 18th December 2008 **three meetings held at UNODC HQ in Vienna** (5.2, 5.3): 1) Paris Pact Initiative “6th Policy Consultative Group Meeting” - where two high representatives from Drug Control HQ (DCHQ) took part – focused on counter narcotics strategies, financial flows linked to Afghan opiates production and trafficking; 2) meeting with Afghan representatives, aimed at fostering international cooperation; 3) briefing of Iranian Financial Intelligence Unit (FIU) by GPML Unit on ML and go-AML software.
- ¾ April 2009, study mission to Bangkok: **Anti-Money Laundering Office of Thailand: study of the legal-institutional framework and IT solutions in the field of countering money laundering and promoting international cooperation** (2.2 2.3), grounding the Computer Base Training Center, established within the FIU; the mission laid the foundations for bilateral cooperation and the envisaged signature of a MOU.
- ¾ May 2009, **Mission of Italian ICT consultant/experts to Tehran to assist the Iranian Judiciary in designing a modern data-base on organized crime to facilitate information exchange with foreign judicial authorities** (3.2), already discussed.
- ¾ 26th May 2009 Workshop on **Organized Crime and Money Laundering in Art and Antiquities - Future areas of Judicial and Law enforcement cooperation** (5.2). Iranian and international institutions attended the meeting, including: the Cultural Heritage Handicraft and Tourism Organization (ICHHTO); the Legal Department of the Ministry of Foreign Affairs; the Judiciary; Financial Intelligence Unit; UNESCO; the German and Italian Embassy.
- ¾ 10th – 11th August 2009 2-day Training/Seminar on **International Best Practices and Investigation Techniques in Tackling Organized Crime and Money Laundering** attended by 164 Iranian representatives from different bodies and institutions (5.1, 5.2).
- ¾ 12th August 2009 Workshop on **Institutional and Legislative solutions in tackling Money**

Laundrying in Iran, attended by Iranian representatives of the Ministry of Finance and Economic Affairs with the participation of Italian Experts on Organized Crime and Money Laundering (5.1, 5.2).

- ¾ 13th – 19th September 2009, launch of the 1st Computer Base Training of Iranian officials at **Iranian Computer Based Training Centre (CBT) for Anti-Money Laundering (AML)**, with the assistance of international experts (5.1).
- ¾ October/November 2009 **study mission to Italy of an Iranian delegation** which visited the National Congress of the Notary and a specialized Anti-money laundering Unit of Italian Guardia di Finanza; the main issues discussed were related to analysis of Suspicious Financial Transactions, investigative coordination with foreign Judicial Authorities and a case study of a money-laundering investigation (5.3).
- ¾ 7th February 2010, launch of the **Second Anti-Money Laundering Computer Based Training** (5.1).
- ¾ February 2010, **Study Mission to Austria and UNODC HQ** by representatives from the Judiciary and the Ministry of Foreign Affairs; the meetings were aimed at considering the adoption of UNODC MLA software and at discussing the Iranian anti-money laundering measures (5.3).

Other initiatives (like translation of the relevant documentation; dissemination of the CD and of the software on MLA and so on, discussed above) should be added to these specific activities.

Pieces of evidence on the relevance of such activities in providing the Judiciary and other LEAs with the necessary knowledge and skills to tackle organized crime and money laundering are given in other parts of this report.

While a number of initiatives have been carried out in a difficult situation, with significant results, it must be noticed that a nationwide training programme is far from being implemented. Furthermore, the Judiciary was not really involved in training, apart from participation in seminars and similar events.

That does not depend only on scarcity of funds and difficulties in relationship, although these two obstacles are real and really decisive in hampering UNODC efforts, especially with regard to the Judiciary. The problem, however, is more radical. Taking on the task of providing the Judiciary and the LEAs with a real training programme was beyond the budget capacities of the Project, as stressed with reference to MTR Recommendation 2. Training, as a specific field, not coincident with the capacity and knowledge improvement deriving from exposure to single events, requires specific attention and appropriate, structured programmes.

What UNODC experienced with FIU can be a good example, to be considered a best practice: a training center was established, in appropriate premises; specialized training activities, tailored to identified needs, have been provided, as well as the required tools; training has been scheduled on a continuous basis.

This result was achieved because UNODC was able to inspire in the Iranian stakeholders the awareness of the importance of such an approach. As a result, the Ministry of Economy and Finance

overcame the budget difficulties by directly funding the Training Center, taking advantage only of the technical assistance of the International Experts. This fact in itself could be considered a great success of UNODC Project implementation and the best evidence of its relevance, effectiveness and impact.

G. Analysis and Major Findings

G1. Relevance

1. The project responds to judicial and related measures required to effectively deal with organized crime, money laundering and the promotion of mutual legal assistance as identified in Iran's Judicial reform plans. The project activities and processes directly address Iran's Second Five-Year Reform Plan 2004-2008 priority objectives of: i) crime prevention, and ii) reviewing relevant legislation to increase Iran's capacity to control organized crime including money laundering.

It appears to be consistent also with the third Stage of the JRP, whose enactment is now under decision.

2. Project objectives are in line with UNODC mandate emanating from the provisions of the United Nations Convention against Transnational organized Crime (UNTOC) adopted at Palermo in 2000, which came into force in 2003. Moreover project initiatives support UNODC's UN mandate to "encourage States to implement the comprehensive international standards embodied in the Forty Recommendations on Money-Laundering and Nine Special Recommendations on Terrorist Financing of the Financial Action Task Force, recognizing that States may require assistance in implementing them".

The project is also aligned with UNODC's Strategic Programme Framework (SPF), for the period 2005-2007, which under its Rule of Law programme, UNODC planned to assist Iran harmonize Iranian legislation with legislative standards on, *inter alia*,: a) drug related crime, b) organized crime, and c) the promotion of an effective use of information technology to increase ease of use of court services.

The Project, as extended, addresses two more items, within the UNTOC Convention (witness protection and cultural heritage protection against transnational smuggling); Regional cooperation, as considered under the PE, is coherent with the Triangular Initiative, under the UNODC Rainbow Strategy.

3. S12 Project, within UNODC strategy, addresses the core criminal threat to Iran: interrelations between drugs trafficking and organized crime, on the one hand, and the weakness of the Iranian legal and institutional system on the other. Money laundering is correctly identified as a hub of such interactions.

The complexity of the assessed threat requires the original comprehensive approach of the three clustered rule of law Projects.

4. The project ensured close involvement of Key Iranian counterparts and national ownership in the implementation through the formal mechanism of the Project Steering Committee (PSC).

Extensive examination of project activity reports, annual and semi-annual progress reports, PSC meeting minutes and interviews with key stakeholders reveal that the PRC has undertaken important policy and implementation decisions, including: adopting project work plans, reviewing objectives of thematic seminars; preparing terms of reference of study tours and list of participants; and reviewing project progress reports and deciding on adjustments, as required.

5. UNODC Iran has been regularly briefing the Mini Dublin Group and EU member States on the progress of project implementation and extension. It is, however, best practice for project steering

committee/PRC to include donor representatives. PM operated in such a direction and tried to overcome the Iranian opposition by doubling its efforts in keeping the Donors informed and indirectly involved in the decisional process.

6. Another significant perception is that Iranian counterparts feel that Iran is under siege, particularly a threat from the West. The nuclear issue, although not directly related to UNODC programmes, in some ways affects implementation of projects. Related to this is the situation in Afghanistan. Iranian authorities believe that drug production and trafficking through Iran has increased enormously with huge ramifications for Iran. They believe the West is not doing enough to strengthen Afghan institutions to control borders, particularly in the Baluchistan Iranian region, but could also affect Iran's national security.

UNODC has handled the situation with tact, understanding and persistence appreciated by the Iranian counterparts, the donor community and the UN missions. The emphasis on Triangular Initiatives could be effective in dealing with such concerns; the PE is well tailored to Iranian needs.

G2. Effectiveness

Project capacity building strategy provided for the Iranian judiciary and law enforcement organizations was found to be very effective. The Iranian counterparts have received appropriate and effective technical assistance, which has already made a significant contribution to concrete steps the Judiciary has taken, as well as the Ministry of Economic Affairs and Finance: the UN Convention on Corruption has been ratified in December 2008 and entered into force in early 2009; the Anti Money Laundering bill was enacted in January 2008 and a more comprehensive AML Bylaws have been promulgated in December 2009; existing bills are being amended to comply with international conventions, while a CFT Law is under consideration of the Cabinet; ratification of UNTOC is also under consideration of policy makers; contacts between Iranian judicial and law enforcement authorities and foreign counterparts have been expanded and strengthened.

New structures to tackle money laundering and mechanisms to support mutual legal assistance have been established or are in the correct path to be established soon; the Iranian Financial Intelligence Unit started officially its activity on 7 February 2010, in the operational sector as well as in the training one.

The project has brokered significant exposure and provided training by organizing study tours to foreign States and thematic seminars on international legal instruments and best practice

As a matter of fact, the Project achieved most of the main objectives:

1. Output 1.

The Project Management Unit was established in the proper terms and timing. PM worked in the correct way in drafting the required documentation (project activity reports, annual and semi annual progress reports, PSC meeting minutes and interviews with key stakeholders, project work plans, reports on study tours and list of participants).

All the MTR recommendations in this regard have been fruitfully addressed.

The PM ensured close involvement of Key Iranian counterparts and ensured national ownership in the implementation of the project through the formal mechanism of the Project Steering Committee (PSC) and Project Reviewing Committee (PRC).

UNODC Iran has been regularly briefing the Mini Dublin Group and EU member States on the progress of project implementation and extension.

It was impossible to summon PSC/PRC including donor representatives and all the national stakeholders involved, due to resistance from the Judiciary. PM operated in the right direction and tried to overcome the Iranian opposition by doubling its efforts in keeping the Donors informed and indirectly involved in the decisional process. PM attained substantive achievements in getting national counterparts involved in the PRC.

Changes in the internal and international political situation were reflected in the Project implementation. All the UNODC interlocutors within the Judiciary were suddenly replaced after the political election. The decision-making process became even more slow, while the respect of the rule of law in dealing with political dissenters was questioned by the International Community. That determined less willingness in funding the ongoing activities.

In such a new, difficult situation PM reacted correctly and effectively, insisting on meeting the Iranian stakeholders and interacting in an informal way. The PM achieved substantive results and its attitude received the unanimous appreciation of National as well as International counterparts.

PM suffered also as a result of uncertainty as to the duration and stability of the Project, due to lack of funds.

2. Output 2.

Iranian judges and prosecutors as well as law enforcement and other executive institutions have been provided with the needed legislative and investigative tools, based on international best practices, for enforcing relevant anti money laundering laws and regulations.

The AML law and bylaw were enacted, AML High Council and FIU established. A conspicuous training programme, on a permanent basis, has been launched. Exposing relevant judicial and LE officials, as well as decision-makers, to experiences of other Countries enhanced the Iranian capacity to tackle ML and deal with MLA in this field.

On the other hand, IR of I has not yet signed and ratified the Convention on Terrorism. There is no evidence of appropriate measures having been taken to adopt and implement effective specific counter-measures, in the meanwhile.

Furthermore, ML is a serious problem in Iran, considering the inextricable links with the wider issue of the economic and institutional system.

FAFT's Plenary Session, February 2010, addressed the issue and envisaged counter-measures.

Enacting new ANL laws and bylaws, establishing the FIU, implementing a permanent training programme, improving the cooperation tools (all outcomes of UNODC assistance) is not enough, in the

context above-discussed, but it is certainly a good starting point. Supporting and giving such efforts the right value could help Iran in addressing the more general issue.

As a conclusive remark on the point, it must be stressed the AML High Council is considering contributing to the funding of the S12 Project. This could be considered the best answer to the question on Project relevance, impact and effectiveness.

3. Output 3.

Iranian Judiciary and law enforcement agencies have become more familiar with modern technical tools and methodologies required for dealing with transnational organized crime.

UNODC provided the Judiciary and the FIU with a compendium of Legal instruments, in Farsi and English, supported by a CD, and was effective in assisting the Iranian Judiciary in developing its own ITC on OC.

Project relevance for the Country can also be deduced from the fact that Iranian stakeholders identified, within the OC field, two more issues to be addressed: a witness protection programme and combating attacks against cultural heritage.

In the OC issue there is more than one item that requires attention.

The UNOTCC has not yet been ratified. This stasis is a main concern, shared by the UNODC management and by the International community's representatives, and further delays could affect the core objectives of the Programme.

Moreover, in spite of the UNODC efforts, the Iranian authorities do not address organized crime as a specific issue, not necessarily coincident with drug trafficking. Assessing the internal threats is the only way to arrive at legislative and organizational measures, tailored to the real Iranian needs.

The Iranian authorities are engaged in a thorough revision of the entire legal apparatus. Decriminalization, as well as diversion and alternatives to imprisonment, are main topics in dealing with organized crime: inter alia it allows LEAs and the Judiciary to concentrate their efforts where the threat is greatest, enhancing their effectiveness.

The question was specifically addressed under related UNODC Projects, but it is important that it remains a main concern for every Rule of Law programme, even in the O.C. field.

The prospect of continuing to assist the Judiciary in bringing about the required improvement in (more effectively) combating organized crime within a comprehensive Rule of Law approach is of the utmost interest.

4. Output 4.

MLA has been improved by the substantive achievements reached in the Project implementation.

It must be considered that MLA has been addressed not only in the Activities under the relevant Project's output. It was a bottom line, qualifying the entire Project implementation.

The exposure of Iranian stakeholders to experiences of other Countries and to examples of real international cooperation determined a new awareness of every aspect of mutual legal assistance. Such an awareness also includes the needed modification to procedural and substantive criminal legislation. This conclusion is shown by the follow ups of the study missions, as well as the FIU's first steps or the implementation of the MLA UN Software, an important tool for enhancing international cooperation. The relevant international instruments, laws and documents have been translated and disseminated.

The Iranian Judiciary showed a firm commitment to enforce an actual cooperation, above all within the Region; a similar attitude was shown by the DCHQ and the FIU. This could be considered at the same time a stimulus and a consequence of the specific consideration devoted to the Triangular Initiative.

At the same time, there is evidence of backtracking over the past year in the Judiciary's internal organization. MLA-FP/CA has not yet been appointed, after the reversal of the former one. No effective cooperation has started at field level with other Countries.

5. Output 5

The Project implementation helped Iranian authorities in acquiring the needed knowledge and skills to tackle organized crime and money laundering.

The Judiciary and Law Enforcement Agencies (Ministry of Interior and Ministry of Economy and Finance) have been exposed to a number of contacts with other similar bodies and with the experiences of other Countries. Seminars, Workshops, Meetings were held in Iran and abroad, attended by a number of officials in key positions. Remarks, suggestions, proposals coming from those experiences were thoroughly discussed in following activities and in the appropriate *fora* (PSC, PRC, Donors etc.); as a result, new activities were scheduled and improvement brought about in the Iranian legal context.

Iranian Bodies have been provided with the required tools, like translated documents collected in a data base and appropriate software. Institution building achieved results in the AML field (FIU. HC) and OC (ITC, linked to the E-court programme).

Regarding training, the FIU Training Center must be mentioned: a training center was established, in appropriate premises; specialized training activities, tailored to identified needs, have been provided, as well as the required tools; training has been scheduled on a continuous basis.

This result was achieved because UNODC was able to inspire in the Iranian stakeholders the awareness of the importance of such an approach. As a result, the Ministry of Economy and Finance overcame the budget difficulties by directly funding the Training Center, taking advantage only of the technical assistance of the International Experts. This fact in itself could be considered a great success for UNODC Project implementation and the best evidence of its relevance, effectiveness and impact.

While a number of training initiatives have been carried out in a difficult situation, with significant results, it must be noticed that a nationwide training programme is far from being implemented. Furthermore, the Judiciary was not really involved in training, apart from participation in seminars and similar events.

Training should be considered as a specific field, not coincident with the capacity and knowledge improvement deriving from exposure to single events; it requires specific attention in the form of adequate and structured programmes.

G3. Efficiency

The PM kept up the documentation about budget and expenses, in accordance with the Project provisions.

The project has provided appropriate mechanisms and adopted implementation approaches that ensure the relevance of project objectives to the specific Iranian context and needs as explicitly expressed in the judicial reform plans of Iran. The Tripartite Review Mechanism and the Project Steering Committee ensured ownership of national counterparts in the implementation of the project as well as to the project design strategy. The PM overcome difficulties deriving from domestic Iranian situation through the involvement of all concerned stakeholders in the PSC/PRC.

Project monitoring was affected by the lack of qualitative and quantitative measurable indicators. Such a difficulty is emphasized in the context of current institutional scenario in Iran, where access to information is difficult to obtain. PM managed to overcome the problem with extensive use of detailed reports. On the basis of the MID Term recommendations, the reports include specific information about budget, timing, extension of achieved results, limitations and perspective.

The PM implemented a large part of the planned activities, as broadly reported in the narrative part of this paper.

The timing of the Project implementation suffered from the above-mentioned problems. That caused the new funds to have been delivered with specific indication of activities to be carried out and conditioned at this very specific result. While this method is effective in dealing with the mentioned problem, it could in the meanwhile have negative effects on the required PM flexibility, in the specific Iranian context. The issue will be discussed below.

G4. Impacts

One of the main goals of the Rule of Law strategy (S12 being a branch of such strategy) is to make the Iranian policy makers aware of different approaches to Law Enforcement. Attention to the experiences of the UE Countries could be considered a long-term result of UNODC Project.

The positive result of the provided support is evident to the evaluator based on the tangible outcomes and very pro-active recommendations made by the participants to thematic seminar, workshops and other activities (high ranking authorities, Judges and officials from the law enforcement agencies and Ministries concerned) which demonstrate a good grasp of: key issues relative to existing legislation and structures; inter-agency coordination mechanisms required; technical know-how, methodologies and tools needed for monitoring and investigation of money laundering cases.

As can be observed from the substance of the discussions and recommendations, thematic seminars, facilitated by competent and experienced experts, are appropriate delivery mechanisms and best practices in Iran for exposing Judiciary and law enforcement policy makers to key legislative and

institutional issues and challenges. The opinion expressed in the MTE meeting by Dr. Alireza Jamshidi, former Deputy Head of the Judiciary for Legal Affairs and Judicial Reform, was shared by dr. Mr. Hossein Akbari, present Head of the PSC/PRC, so it could be confirmed that these seminars are directly contributing to the continuing review of Iranian legislation to comply with international legal instruments on organized crime and money laundering.

Suggestions coming from the aforementioned activities have been addressed by PM, even by extending the original Project to deal with new fields of interest.

Access to the experiences of other countries dealing with similar judicial issues and challenges helped the Judiciary in identifying what works and what doesn't and to develop a strategic approach to the judicial reform process.

Study Tours organized to UNODC HQs, Austria, Italy and Thailand were found to be effective in improving policy makers' awareness and knowledge as a result of: i) the way they were planned and organized so as to expose key Iranian policy makers to appropriate legislation and best practices consistent with international legal instruments; ii) familiarizing the delegates with structures, know-how and tools required to effectively implement money laundering measures; iii) recognizing the necessity of ratifying the UNTOC and signing mutual legal assistance agreements with foreign countries to effectively tackle money laundering; iv) creating opportunities for Iranians to establish useful contacts with counterpart policy makers and experts from other countries; and v) sharing the study tour experience with a wider group of judiciary and law enforcement professionals to develop consensus and enrich the final recommendations.

Exposing IR policy makers to experiences abroad brought the Judiciary to important (and – to my knowledge – unprecedented) statement in the comparative field; that opened a new path to fundamental changes in Legislation and in the approach to the criminal justice system. As a result of this new awareness, important steps have been taken in introducing appropriate regulations and competent institutions in fields like AML and MLA. A similar effort is ongoing in the OC field.

The IRoI has not yet ratified the UNTOC Convention, nor the ICSFT signed and ratified; that depends in large part on issues outside the UNODC scope and competence. Nevertheless, UNODC efforts in gathering evidence about the relevance of the two Conventions in providing effective tools and enhancing International cooperation, thus improving Iranian capacity against OC, resulted in significant progress. FIU is now engaged in a close discussion with FAFT and shows willingness to comply with the FAFT's recommendations; the ITCCFT is expected to be soon signed and ratified; the UNTOC ratification process was not stopped.

UNODC has ensured collaboration and co-ordination of multi- and bilateral donors currently providing assistance to Iran in the area of judicial reform in general and in transnational organized crime and drug-related cooperation in particular. Maintaining Iran within the above-mentioned coordinates is in the interest of the International Community. It is a conclusion shared by all the national and international stakeholders, met in the course of the mission, that in a particularly difficult context, conditioned by internal and international pressures, UNODC has been a bridge linking Iran and the International Community.

The reason why UNODC was able to represent a bridge depends on i) the correct identification of the national needs and the way to deal with them; ii) the trust, built in years of assistance delivered by devoted and fair officials.

G5. Constraints

Programme delivery faced three main constraints.

1. First of all, the Iranian stakeholders had in mind their own non-negotiable priorities. Such priorities changed sometimes without clear previous indication and within a not always transparent decision-making process, generated by the complex Iranian institutional system. This resulted in an unreliable schedule.

The Iranian counterparts have strategic vision and are determined and committed to pursue their objective as articulated in the JRP and subsequent sub-plans (five-year plans). While this offers a good opportunity for national ownership it can in certain cases pose challenges to the pace of implementation as well as changes in priorities.

Iranian authorities show a strong determination in following their own priorities.

The “unique and complex combination of clerical and popularly elected authorities” as identified in UNODC SPF, poses problems with identifying stakeholders in the implementation of projects. Legislative measures are expedited or stalled due to changes in the balance of power between the Parliament, the Executive and the Judiciary, which impact on implementation of projects in terms of delaying some project components.

Weak presence of civil society limits the opportunity of new ideas to influence the implementation of initiatives, which are solely designed by the Judiciary or institutions like the University of Judicial Sciences directly administered by the Judiciary.

2. The interaction between internal and international forces, already broadly discussed. It is important to stress here that the lack of information, provided by official Iranian sources, about the respect of the rule of law in dealing with recent events affected confidence in the Iranian willingness to comply with recognized international standards.

3. The uncertainty about duration, scope and funding of the Project perspectives. It is important to stress again that S12 Project was intended to be part of a wider Programme, aimed at addressing at the same time different aspects of the same problem. That made the single Project more attractive for the Iranian counterpart and the Donors and gave the PM a good flexibility, within the Programme objectives.

G6. Sustainability

Sustainability is not a problem from the Iranian side. IRoI is undergoing a 20-year JRP, with a keen determination. Drug trafficking is a main threat to Iranian civil society and it is expected to remain so for many years to come. Money laundering is a structural problem that affects the economy as a whole and the IRoI has to deal with it, if it really wants to break into the international market.

The Iranian commitment to dealing with these complex problems is thus indubitable. In such an endeavor IRoI needs the UNODC assistance, as revealed by the experience of the last years. However, the sustainability of further Project development depends on the internal and international situation, first of all. This is outside the influence of the Project, though the P. implementation helped keep channels open, in a certain way.

Secondly it depends on availability of funds.

In such a context, establishing a permanent Training programme within the Judiciary, similar to that implemented by the FIU, could help to give UNODC assistance stability and to consolidate the results achieved.

H. Lessons learned and best practices.

1. Any project related to organized crime should be maintained within a wider programme on RoL. UNODC acted in such a direction even after the conclusion of the S03 – R34 Projects, for example in the anti-corruption field. Providing assistance in a continuous manner, not letting the achieved result to be lost for lack of continuity is a best practice's approach.

Concerns deriving from uncertainty about full respect of RoL principles could result in growing difficulties in maintaining international assistance; that is a further reason for not forgetting the original comprehensive Programme approach, linking different Projects, addressing related issues.

Maintaining Iran within the above-mentioned coordinates is in the interest of the International Community. UNODC was able to represent a bridge due to i) the correct identification of the national needs and the way to deal with them; ii) the trust, built up over years of assistance delivered by devoted and fair officials.

2. The continuous uncertainty about funds availability affected the Project implementation and rendered the PM less able to deal with the national counterpart. The dimension of the challenge (to deal with powerful transnational organized crime, maintaining and improving a RoL approach, enhancing at the same time the accountability and transparency of the Judiciary) requires a strategic vision and an adequate funding support.
3. Internal and international problems affected the possibility of directly involving donors and national stakeholders in the Project's decision-making process. Despite these difficulties, UNODC has effectively executed its role in regularly organizing PSC/PRC meetings and also opening up to other national stakeholders, whenever possible and in conformity with its mandate and according to the approved Project Document. On the other hand UNODC has continued to keep the international Community constantly informed of project implementation progress. It has been possible to rectify formal deficiencies by responsible and consistent networking, as UNODC-Iran has demonstrated.
4. One of the Cluster ER's major findings is flexibility in Project Management. It was grounded on what UNODC experienced in implementing the Projects, confronting a counterpart with a "clear strategy on the judiciary reform process, who is also capable of imposing reprioritization of project strategy in the course of implementation".

The Evaluator arrived at the same conclusion in a completely different situation: S12 Project implementation was affected by the fact that, due to the national and international context above discussed, the Iranian policy makers imposed their own timing. UNODC correctly decided to remain engaged, pressing for formal meetings, maintaining informal contacts and going ahead in delivering activities whenever possible. At the same time UNODC identified fields for further cooperation, within the confines of the Project, thus stimulating the Iranian decision-making process. Such a strategy was successful, as demonstrated by the revision of the Project, discussed and approved in the PRC, and by important results, for example in the AML area.

UNODC and the Donors reacted to the difficulties in dealing with the Iranian counterpart by adding to the contract a clause linking the funds to specific activities; the clause was enforced by a monitoring mechanism (see contract with the Federal Republic of Germany).

If such a new approach to funding the Project appeared to be effective in protecting the real destination of the funds and in strengthening the position of the Donor, it could nevertheless affect the required flexibility of UNODC action.

In the considered circumstances, flexibility in adapting the Project and in implementing it is no less important than following the P. prescriptions. A correct balance between the two exigencies should be preserved.

5. FIU establishment is a good example of Institution Building, which has to be considered a best practice: a training center was established, in appropriate premises; specialized training activities, tailored to identify needs, have been provided, as well as the required tools; training has been scheduled on a continuous basis.

This result was achieved because UNODC was able to inspire in the Iranian stakeholders the awareness of the importance of such an approach. As a result, the Ministry of Economy and Finance overcame the budget difficulties by directly funding the Training Center, taking advantage only of the technical assistance of the International Experts. This fact in itself could be considered a great success for UNODC Project implementation and the best evidence of its relevance, effectiveness and impact.

Even more, the Vice Minister of Economic Affairs and Finance stated during a meeting with the evaluator that his Ministry is willing to contribute to funding UNODC Project's future implementation. These facts in themselves could be considered a great success for UNODC Project implementation and the best evidence of its relevance, effectiveness and impact.

That shows, inter alia, how channels could remain open also in a politically difficult situation. The results achieved by UNODC depend on i) the correct identification of the national needs and the way to deal with them; ii) the trust, built in years of assistance delivered by devoted and fair officials.

I. Recommendations

1. UNODC should continue to provide assistance to Iran in drafting and implementing a national strategy to tackle OC and ML and promoting mutual legal assistance, in a sub-regional scenario.
2. UNODC should devise a comprehensive strategy, linking the aforementioned assistance with a wider approach, grounded on Iranian endeavours to enhance efficiency, transparency and accountability of the Judiciary. Maintaining OC and projects on related issues within a wider RoL programme is of the utmost importance for achieving effective results.
3. Improving the Iranian capacity in the field of MLA is part of such a strategy, aimed at assessing the amendments within Iranian law and institutions, introduced so that Iran meets international RoL standards. Homogenization of legislation is a fundamental target. Specific attention should be devoted to focusing on the differences between the procedures considered according to the extradition and mutual assistance treaties signed by the IRoI with the other countries of the region (e.i.: Azerbaijan, Uzbekistan, Turkey, Armenia, Russian Federation); the relationships with E.U. and other Western and Asian States [recomm. f) International Consultant on RoL matters Judge G. P. Melillo].
4. Special consideration should be given to establishing regional and sub-regional cooperation in tackling OC, ML and promotion of MLA, mainly within the Rainbow Strategy and Triangular Cooperation mechanism between Afghanistan, Iran and Pakistan.
5. De-criminalisation, as well as alternative measures to punishment and diversion, should be specifically addressed, as important parts of the reform process; legislation providing death penalty for drug and organized crime related offences should be addressed as well, in the same approach. In this regard, experiences and evaluators recommendations provided during the implementation of S03 (Judicial Reforms) project should be taken under consideration in addressing this subject.
6. A thorough assessment of the threat coming from OC, as a distinct issue from drug trafficking, is necessary. Such an assessment could identify more closely the required interventions in the legislation, jurisprudence and institutions. It could be instrumental in better drafting UNODC strategy for Iran.
7. The PE correctly identified cultural heritage protection against transnational crime as a new field of assistance. Heritage protection is a priority for a Country with an extraordinary archeological patrimony, exposed to a direct threat from artifacts smuggling. At the same time such a challenge leads directly to the enhancement of International Cooperation and could be considered a stimulus in that direction. Countries with the required experience and knowledge could be involved in such cooperation.
8. UNODC should design specific activities, aimed at stimulating IRoI to ratify UNTOC Convention and to sign and ratify the International Convention on Countering the Financing of Terrorism.

9. The relevant results achieved in the AML field should be considered as a first step. Specific attention to the operative implementation of the new legislation is required, taking into consideration the links with the wider issue of the underground economy. At the same time, UNODC will be able to promote the ratification process of the IC CFT and its implementation. Furthermore, experiences and evaluators recommendations provided during the implementation of R34 (Anti-Corruption) project should be taken under consideration in addressing this subject and should be linked to future AML/CFT and UNODC STaR initiatives.
10. A work-on-case approach to MLA is now required, considering difficulties met in implementing an effective cooperation, even where legal instruments have already been enacted. That means collecting and analysing - with the cooperation of the Iranian Judiciary - all available data related to the mutual legal assistance procedures in which the IRoI has been involved in recent years: first of all, the extradition cases considered by the relevant Iranian authorities and the foreign feedback to the Iranian requests in this field [recomm. e) International Consultant on RoL matters Judge G. P. Melillo].
11. The positive experience of FIU Computer Based Training Center should be extended to the Judiciary, assuring participation of prosecutors and judges (as well as LE officials) and building similar permanent structures. Using purpose-designed software in training was found to be effective; UNODC MLA software, though drafted for operational needs, could be really useful in the training activities.
12. Providing the Judiciary with a training programme, conceived on a permanent basis and strictly tailored to identify national needs should be considered a priority in order to assure sustainability to the Project effectiveness.

L. Conclusions

What is stated in the Cluster Evaluation Report as a conclusion must be confirmed and detailed.

UNODC-Iran has been effective in delivering the required technical assistance to support Iran's efforts to improve its capacity in tackling organized crime and drug trafficking, also in the perspective of International cooperation. AML measures were addressed as well.

Policy makers, from the Judiciary, the Parliament, the Ministry of Finance and Economy and the Law Enforcement agencies have been exposed to international best practices and international legal instruments enabling them to determine legislative gaps and structural measures required to pursue national objectives set in the 20-year Judicial Reform Plan. They have been instrumental in pushing through new legislation and the amendment of existing laws to conform to international best practices.

UNODC was able to continue providing assistance to IROi even in an international and national political context which had radically changed in less than a year time.

Despite the difficulties, added to an already problematic situation, PM made a decisive contribution to establishing the FIU, within the more general improvement of the AML legal apparatus.

International Cooperation received an important impulse through the contacts established, the listing in the UNODC list for MLA,

The premises for introducing an up-to-date country-tailored ICT system in the field of OC have been realized.

The UNODC-Iran technical assistance has employed effective delivery mechanisms in improving the capacity of Iranian counterparts to plan and implement legislative and structural measures. Study Tours, thematic seminars and the provision of standards and tools have assisted the Judiciary to comprehend the necessity of aligning Iranian laws with international conventions and related international standards for ensuring rule of law, combating transnational crimes.

Most importantly, policy makers were influenced to realize the necessity of fostering international cooperation in order to effectively tackle transnational organized crime. This change of attitude by policy makers achieved through UNODC-Iran technical assistance is fundamental in improving Iran's important role in the fight against organized crime, including drug trafficking and money laundering, at the regional and international level.

Awareness of the positive implications of ratifying UNTOC and International Convention on Countering the Financing of Terrorism both for improving relationships with other countries and for the effectiveness of the fight against OC and ML has been consolidated within Iranian stakeholders.

Difficulties arising from legislative differences pose challenges to bilateral and multilateral cooperation to combat transnational organized crime. The necessity of harmonizing the Iranian criminal code with international standards, particularly with regard to issues of extradition of criminals in organized crime is a case in point. The need to harmonize relevant parts of jurisprudence with international standards is

also a challenge. Delivering the UNODC MLA software was effective in enhancing awareness of such challenges.

Iran needs a thorough assessment of the threat coming from OC, as a distinct issue from drug trafficking. Such an assessment could identify more closely the required interventions in the legislation, jurisprudence and institutions.

Iran's Judicial Reform Plan and UNODC-Iran technical assistance will only be able to realize concrete results in terms of controlling and preventing transnational crimes if the implementing institutions are sufficiently equipped and their staff trained.

Combating OC and ML cannot be a solitary fight. It means a well structured Law Enforcement and Judicial system. Furthermore, it should remain within a comprehensive understanding of the importance of the rule of law, also in fighting OC. The UNODC Projects on OC should preserve such a comprehensive approach. Such a strategy could help to answer the widespread concerns about the real commitment of IRoI to deal with all kinds of challenges within recognized international standards, respecting the rule of law.

In conclusion, it should be noted that, despite the overall challenges faced by UNODC-Iran, UNODC has played a significant role in encouraging Iranian authorities to build confidence in international cooperation and adopt UN and international standard. UNODC-Iran has served as a "bridge" between Iran and the international community in all important issues of strengthening rule of law and combating transnational crimes. The challenge is for UNODC-Iran to continue the cooperation with tact, flexibility and the fundamental support of the international community.



UNODC

United Nations Office on Drugs and Crime

Office for the
I.R. of Iran

ANNEX I

*Final Evaluation
of the UNODC Rule of Law Project
in the I.R. of Iran*

*“Improvement of Iranian Legislative and Judicial capacity to tackle
Organized Crime and Money Laundering and promotion of Mutual
Legal Assistance (IRN/S12 Project)”*

Terms of Reference
(Draft, 15 October 2009)

1. Background Information

- 1.1 Nowadays, the Islamic Republic of Iran is, like many other societies, confronted with various challenges in social affairs. For many years, the Government has been trying to improve its capability to deliver public services, and provide welfare and social security for the people. But the demands of the public appear to be growing at a more rapid rate.
- 1.2 One of the main challenge in Iran today is the prevention and suppression of major crimes, including organized crimes, drug trafficking and money laundering. It is to be noted that Iran, because of its geographical situation, is one of the main conduits for illegal drugs originating in Afghanistan and destined for markets in Europe and the Persian Gulf region. A large portion of the drugs entering the Iranian territory is smuggled out of the country for further processing and forwarding towards the European and Middle East consumer markets.
- 1.3 Illicit drug trafficking has direct links to other transnational and domestic criminal activities involving organized criminal groups. Like other countries, in Iran organized criminal activities and money laundering pose a major challenge to the society. The magnitude of drug trafficking, organized crime and other criminal activities affiliated thereto, like money laundering, signifies the need for a coordinated approach at international level to tackle these problems. That is why technical assistance in judicial matters and the promotion of international cooperation among interested countries is crucial to finding appropriate countermeasures. Iranian judicial authorities recognize that an effective campaign against organized crimes would require increased cooperation with the international community through international judiciary cooperation, e.g. mutual legal assistance.

2. Role of UNODC

- 2.1 In accordance with the various mandates received by the General Assembly, UNODC plays a leading role in the UN system in providing advisory services and technical assistance to support Member States in improving their national capacities to prevent and control organized crimes and corruption and to implement the United Nations standard minimum rules for crime prevention and criminal justice elaborated by successive UN Crime Prevention Congresses and the determination expressed in various General Assembly resolutions on the importance to be attached to technical assistance activities, training and advanced training of staff.
- 2.2 The United Nations Convention against Transnational Organized Crime is the main international instrument to counter organized crime. UNODC helps countries use the provisions of the Convention to create domestic criminal offences to counter the problem; to adopt new frameworks for mutual legal assistance; to facilitate extradition and technical assistance and training.
- 2.3 In the context of the above background, the UNODC Country Office for the Islamic Republic of Iran is currently implementing a project “TC/IRN/S12” aiming at improving Iranian Rule of Law capacities under the UNODC mandate.

3. Project LAS AD/IRA/99/E53

3.1 The IRN/S12 project (project document in **annex I**) has heeded to recommendations made in the “Evaluation of Legal Assistance Project LAS AD/IRA/99/E53”. Particularly, recommendations 6, 9, 10, 12, 13 relating to technical assistance required to increase Iranian capacity to deal with transnational organized crime have formed integral part of the project.

4. Previous Evaluation Exercise - Mid-Term Evaluation (September - December 2008)

4.1 As per Mid-Term Project Evaluation of IRNS12 project, the extent to which the Judiciary policy makers have benefited from the project capacity building support can be demonstrated in the steps and decisions they have taken towards improving Iran’s capacity to tackle organized crime and conditions for enhancing bilateral cooperation through mutual legal assistance. *Judiciary policy makers have taken significant decisions and actions such as: promoting the draft of an Anti Money Laundering bylaw to complete the identification and establishment of the Iranian Financial Intelligence Unit; identification and establishment of the Mutual Legal Assistance Central Authority/Focal Point to promote judicial cooperation with foreign jurisdiction; initiatives to amend existing bills to comply with international conventions (UNCAC and UNTOC); efforts in the drafting of new bills on criminal justice and on organized crime; expediting the ratification process of UNTOC; expanded and strengthened contacts for Iranian judicial and law enforcement authorities with foreign counterparts; established new structures to tackle money laundering and mechanisms to support mutual legal assistance and anti-money laundering measures; and improvement of domestic counter capability to tackle organized crime, money laundering and the promotion of mutual legal assistance.*

4.2 Text of the Mid-Term Evaluation is attached to this TOR (**annex II**).

5. The UNODC Strategic Programme Framework (SPF) for Iran

5.1 This project fully reflects the recommendations of the Evaluation report of the Project "Legal Assistance to Iran (LAS)" which was prepared in September – October 2004. It is also in line with technical meetings held with judicial authorities and experts organized in 2004 aimed at identifying priorities for cooperation between UNODC and the Iranian Government. These recommendations were endorsed in the “Exit conference” with the evaluators of the NOROUZ programme and the Mini Dublin Group (6 October 2004) and during the Round Table on “Judicial Reform in I. R. of Iran and the Prospects for Future Cooperation” held jointly with the Judiciary and the MDG (7 December 2004).

5.2 The project will provide an appropriate framework for continuing the assistance already provided by UNODC to the Government of the I.R. of Iran under the “NOROUZ” programme. Through a training programme, the project will focus on improving the skills of judges in dealing with organized crime in the context of the existing legislation and upon enactment of a specific law on this topic. In view of the draft anti-money laundering law, the project will focus on strengthening the capability of Iranian judiciary to deal with this issue.

5.3 Moreover, the project will facilitate cooperation between Iran and other countries in dealing with mutual legal assistance cases involving trans-national criminal organized groups. The countries in question will be those who are considered as appropriate partners for direct cross border intelligence and other information exchanges between law enforcement and the prosecution and judicial authorities. This in particular might include Iran's neighbouring States (Afghanistan, Armenia, Azerbaijan, Iraq, Pakistan, Turkey and Turkmenistan as well as the Persian Gulf littoral States), countries located in the main drug transiting routes from Afghanistan and via Iran to the destination markets, as well as other countries concerned, like those that are the immediate or ultimate destination of passenger and commercial transports to/from Iran.

5.4 Such cooperation could be promoted through bilateral treaties or other arrangements. For this purpose, UNODC' internationally endorsed model treaties and legislation for mutual assistance and extradition, plus its best practice guidelines for extradition, mutual legal assistance and confiscation casework, and its mutual legal assistance and pending extradition request writing software tools, will be used.

6. UNODC Iran partnerships and resource mobilization

6.1 The immediate project beneficiary is the Iranian Judiciary. Moreover the target groups of this project consist of all relevant judicial and law enforcement agencies/ institutions in the Islamic Republic of Iran. Accordingly, these will include, inter-alia:

- Department for Legal Affairs and Judicial Reform of the Judiciary;
- Department for Training of the Judiciary;
- Bureau of International Affairs of the Judiciary;
- Police Force of the Islamic Republic of Iran;
- Ministry of Interior;
- Ministry of Finance and Economic Affairs;
- Ministry of Foreign Affairs;
- Secretariat of Drug Control Headquarters;
- Central Bank and other relevant financial institutions.

7. Project objective.

7.1 The immediate objective of this project is to improve Iranian judicial and legislative capacities related to organized crime and money laundering and to promote and strengthen international mutual legal assistance.

8. Project brief:

8.1 Project IRN/S12 approved duration was January 2007 – December 2009.

8.2 Total approved budget: US\$ 1,660,000.

8.3 Existing Project's Shortfall: US\$ 18,681

8.4 Due to a number of technical reasons listed in the attached Project Revision Document (**annex III**) the TC/IRN/S12 Project Steering Committee approved the extension of the project till June 2010. Due to budgetary constraints the International Project manager's contract was extended for a limited period of 5 months (May 2010).

9. Project outcome:

9.1 The current project focuses on legislative and institutional reforms and on capacity building initiatives aimed at implementing of anti organized crime and money laundering measures and encouraging Iranian Government to ratify UNTOC convention and strengthen current mutual legal assistance among Iran and other countries at regional and international levels.

10. Project outputs:

Output1: Setting up a Project Management Unit (PMU) in the UNODC Office in Tehran for the regular functioning of the Project Steering Committee (PSC), the preparation and updating of the project work plan, the organization and implementation of meetings, seminars, and other project related activities.

Output 1 indicator(s):

- PMU recruitment carried out according to UN rules and regulations
- PMU performance in line with project goals and objectives

Output 2: Strengthening capacities for the implementation of the anti-money laundering measures.

Output 2 indicator(s):

- Providing Iranian judges and prosecutors as well as law enforcement and other executive institutions with needed legislative and investigative tools, based on international best practices, for enforcing relevant anti money laundering laws and regulations.
- Promoting legislative initiatives to adopt anti money laundering legislation.

Output 3: Strengthening the Capacities in Iran to combat trans-national organized crime.

Output 3 indicator(s):

- Familiar Iranian Judiciary and law enforcement agencies with modern technical tools and methodologies required for dealing with transnational organized crime.

Output 4: Promotion of mutual legal assistance between the Islamic Republic of Iran and other States.

Output 4 indicator(s):

- Promoting mutual legal assistance and cooperation between Islamic Republic of Iran and other states, inter-alia, in the areas of extradition, joint investigation, transfer of sentenced persons, establishment of criminal record, protection of witnesses, confiscation and seizure,

disposal and recovery of proceeds and property derived from trans-national organized crimes, will be improved.

Output 5: Launching of a nationwide training programme on mutual legal assistance, money laundering, organized crime and other relevant issues for judges and other relevant staff of the Judiciary, Police, Prison Organization, etc.

Output 5 indicator(s):

- Iranian judges and prosecutors as well as the Police, Prison Organization and other law enforcement staff will have at their disposal necessary knowledge and skills to tackle organized crime, money laundering and other related cases.

Output 6: Implementation of a comprehensive evaluation of the technical assistance delivered, its impact and consequent prospects for future initiatives.

Output 6 indicator(s):

- An external independent expert is subcontracted to evaluate the project activities and outcomes.

Expected end-of-project situation:

- Anti-Organized Crime and Anti-Money Laundering legislative and institutional measures will be improved. Starting the procedure for the ratification and implementation of relevant UN Conventions and adoption of international standard and best practices (i.e. FATF/GAFI 40 + 9 recommendations). Identification, Regulation and Establishment of governmental bodies dealing with Money Laundering, Crime and Mutual Legal Assistance.
- Improvement of communication and cooperation between Inter-governmental bodies and international relations.
- International cooperation will be improved between Iran and other countries through the support of the Judiciary Mutual Legal Assistance Central Authority Focal Point.
- Judiciary's follow-up in the design and design of a Judiciary's criminal data-base to promote international cooperation.
- Improvement of domestic counter capability in tackling crime and money laundering and to promote mutual legal assistance through the participation of Iranian officials to study missions abroad, workshops, training, seminar, and technical meetings on project's subjects.

11. Purpose of the evaluation

11.1 Responsible Office: the UNODC Iran Office, in close coordination with Technical Section II and the Independent Evaluation Unit, will plan this evaluation exercise as foreseen under Project S12 Output 6 for international independent evaluation exercise.

11.2 Type of evaluation: the evaluation shall provide detailed and workable recommendations for improving programme and projects design in terms of planning, management, etc. The evaluation results should be drafted additionally and will be used as a tool for UNODC for future planning of Iran Rule of Law related programme components and projects. The present evaluation is planned to be undertaken as the final evaluation.

- 11.3 **Evaluation managers:** Project IRN/S12 will fund the evaluation exercise. Project manager will act as first layer of assisting the evaluator vertically while UNODC Vienna Section II and IEU will provide horizontal management support to the exercise.
- 11.4 **Evaluation design and goals to accomplish:** this exercise is designed to evaluate the projects impacts and achievements so that successful/positive outcomes and challenges are measured. The evaluation recommendations, both success stories and challenges, will be used as yardsticks and lessons learned in designing UNODC Iran future Country Programme RoL cluster.
- 11.5 **Evaluation timing:** major factors in undertaking the international evaluation in 2009 are summarized as follows:
- UNODC Iran is going to draft a quality Country Programme keeping the momentum of the Crime and Drugs programme in Iran based on continued international donors and Iranian counterparts interests. In this respect, the evaluation might indicate the potential key elements, as well as the expected inputs, outputs and outcomes of the Rule of Law components to be addressed by the new UNODC Iran Country Programme.
 - Selection of 2009 provides an ample time leverage to benefit from recommendations provided by international expert and accommodate them at future UNODC Iran Country Programme.
 - To better identify project's shortcomings and voids to be filled in a possible advanced phase of the TC/IRN/S12 Project.

12. Core stakeholders' involvement in the evaluation exercise:

- 12.1 The main national stakeholder of present evaluation is the Iranian Judiciary whom is expected to benefit from exercise' recommendations. Other domestic stakeholders will also benefit from this evaluation (i.e. FIU and MFA).
- 12.2 The international donors' community will have the chance to review the results and recommendations of the practice and verify if projects funds have had (i) positive impacts in the Iranian and international RoL environment, and (ii) added value to the donors through activities implemented by UNODC. Iranian national stakeholders and representatives of the international community (Embassies) will be invited to meet with the evaluator during the course of the exercise.

13. Evaluation scope

- 13.1 Taking into account the relevance of the components of the TC/IRN/S12 project, Rule of Law unit of UNODC programme for Iran, the present evaluation will undertake a comprehensive review of the entire project.
- 13.2 The evaluation will focus on the *relevance* and *effectiveness* of the project. Special emphasis will be put on the assessment of the outcomes of the project. The evaluation will answer some key questions in its final report. These questions remain generic, but are consistent with

standard approaches to project evaluation. There should be an element of flexibility, as the evaluation progresses, to further specify these generic questions.

¾ **Relevance** - in terms of the need of the country

- Are project objectives and results (outputs, outcomes and impacts considering relevant indicators) clear, realistic and coherent in terms of contributing to the achievements of UNODC Strategic Programme Framework 2005-2007?
- Are the challenges identified and major problems addressed under the Project still a problem to tackle, why?
- To what extent is the project aligned with the policies and strategies of the national stakeholders and international donors?
- Is the project in line with the priority areas for technical cooperation identified and does project inputs used in best appropriate way indicating UNODC comparative advantages?
- How relevant are project objectives to the international and regional cooperation in drug control considering the national counterparts and international community involvements?
- Have national stakeholders and international donors and community actively and meaningfully participated in developing and implementing project?

¾ **Effectiveness** - To what extent did UNODC project achieved its objective?

- Has the project achieved, or made acceptable positive progress, vis-à-vis its objectives and results (outputs, outcomes and impacts considering relevant indicators)
- What are the project's achievements and failures? Why? And what is the advisable exit strategy adopted by project's management?
- How did the project succeed in assisting the Iranian counterparts in the development of an effective methodology for implementation of the lessons learned from the UN and international standard and best practices?
- Has a project work plan, logical framework matrix and monitoring system been designed to make proper monitoring possible and effective throughout the project cycle?
- Were recommendations of previous (i) RoL activities/projects, and (ii) Mid term evaluation correctly addressed and considered when planning the project and implementing its objectives?
- How project's management addressed difficulties encountered during the project implementation?

¾ **Efficiency** - how well inputs (funds, expertise, time, etc) are converted into outputs

- Has project management team been selected and recruited in a transparent, efficient and timely manner?
- Has the budget been allocated proportionally between the outputs and spent as planned?
- Have project outputs achieved their targets or not according to the given inputs?
- What measures have been taken during project planning and implementation to ensure that resources allocated are efficiently used?
- Is the project delivery in line with set targets and time?

¾ **Impact** – What are the positive or negative, primary and secondary effect(s) produced by the project directly or indirectly, intended or unintended?

- What difference has the project made to national counterparts and international–regional clients and beneficiaries?
- What are the intended or unintended positive and negative technical, professional, and other relevant effects on national counterparts’ institutions, regional bodies, and international funding partners and clientele?
- How do the different stakeholders, especially government of Iran, implementing partners, other UN agencies, bilateral and multilateral donors, perceive the overall impact of the UNODC supports?

¾ **Sustainability** - in terms of benefits of the project in provision of durable changes, maintaining and further strengthening the cooperation between Iran and international community.

- To what extent will the benefits generated under this project are sustainable?
- To what extent the national counterparts and regional-international partners could take ownership of the projects objectives?
- Are national counterparts and regional-international partners committed to continue working towards these objectives at the end tenure of the project or do they intend to benefit from UNODC intervention in bridging further dialogue between national authorities and international community?

¾ **Lessons learned and best practices**

- Identify key lessons on positioning that can provide a useful basis for strengthening UNODC support to Iran and for improving project performances, results and effectiveness in the future.
- Through in-depth assessment, present and highlight features to be considered as good practices and lessons learned.
- Draw lessons from unintended results where possible.
- Identify best practices emerged from the projects implementation.

14. Evaluation methodology

14.1 The evaluation will be based on the following methods to identify, collate and analyse information sources:

Document review: to include all major documents, such as project documents, semi-annual and annual project progress reports, mission reports, projects' activity, etc..

Interviews with: (i) Projects' national focal points; (ii) national counterparts and officials who participated in the Project Steering Committee(s); (ii) Project(s) consultants; (iii) representatives of donor countries to the project(s); and (iv) UNODC Iran senior management and project(s) management team.

15. Evaluator's qualifications

15.1 An external independent evaluator will undertake the evaluation. The evaluator should not have any previous or current involvement with the draft of TC/IRN/S12 Project idea, design or being interested part of any implementation. The evaluator will be guided by UNODC Independent Evaluation Unit, if needed.

15.2 The evaluator should (i) be a legislative and judicial expert in Organized Crime, Money Laundering, and Mutual Legal Assistance, (ii) have good knowledge of UN practices-rules regarding the correct accomplishment of Independent Evaluations, (iii) have extensive, 10 years or more, consolidated experience in:

- legislative related matters;
- Judicial accountability;
- Judicial reform process;
- Capacity building;
- Corruption, organized crimes, money laundering at both domestic and international level; and
- International judicial cooperation (mutual legal assistance and extradition).

Given the knowledge and experience on the above mentioned areas, this evaluator will be expected to conduct the analysis of project's documents and reports as well as interview with Iranian and donors' officials/counterparts and draft present the final evaluation report in due time.

The evaluator should also have:

- consolidated experience in data collection, analysis and reporting;
- knowledge of the Iranian legislative and judicial environment;
- fluency in English with strong analytical and writing skills.

15.3 The evaluator is selected by the UNODC Iran Office with the support of UNODC Hqs in Vienna - Technical Section II and the Independent Evaluation Unit according to the agreed criteria and drawing expertise from the roster.

16. Planning and implementation arrangements

16.1 **Management arrangements:** UNODC Country Office Iran will be the main stakeholder of this exercise while Section II and IEU will assist the process from Vienna Headquarters. Iranian Judiciary will be the relevant government stakeholders to this exercise.

16.2 **Logistical support:** UNODC Country Office Iran will provide all relevant logistical support required under this exercise including inter-alia evaluator travel and DSA/expert fee requirements, preparation and clustering of reading texts and materials for the evaluator, provision of office space and personnel support during the course of the exercise, and any other relevant support required for quality conduction of this evaluation exercise.

Evaluation exercise timetable and milestones:

When (Tentative dates)	Number of Days	Tasks	Where (location)
15 October 30 November 2009		(i) TOR draft & Approval (ii) Consultant Selection (iii) Consultant Recruitment	UNODC I.R. of Iran (COIRA) IEU TCII
14 to 31 December 2009	6 Working Days	Analysis of key project documents and previous mid evaluation (outcomes will be provided to COIRA for desk review)	Evaluator's Home country
18-19 January 2010	2 Working Day	Exchange and clarifications on project and mid-term evaluation' documents with Project's Management	Evaluator's Home country
February – April 2010	5 Working Days	Field mission Visits, meetings and interviews	UNODC I.R. of Iran
April – May 2010	6 Working Days	(i) Draft, (ii) discussion with Project's Management, and (iii) presentation of the Final Evaluation Report to UNODC Iran.	Evaluator's Home country
Total working days	19 Working Days		

- All UN holidays and weekends are excluded

Evaluators' tasks:

- Review all background material provided by IEU, including UNODC operational strategy papers and UNODC IRN/S12 project document and other project related documents, as needed.
- Based on the objective of the exercise, develop an overall evaluation plan (e.g. design matrix) and framework, including specific survey instruments and interview protocol (guided interview templates).
- Conduct field visits to Iran according to the evaluation exercise time table
- Participation at meeting(s), interview(s), and appointment(s) during the mission to Iran in coordination with UNODC Country Office Iran.
- Prepare the draft of the final comprehensive evaluation report on the UNODC IRN/S12 project and general evaluation part evaluating shortcomings and challenges as well as success stories and impacts that could assist UNODC in drafting the RoL cluster of future Country Programme. Draft comprehensive report shall be well-structured, clear and concise; use non-defensive language and be constructive oriented in a sensitive and fair-minded way.
- Revise the draft report in accordance to feedback from project coordinators, COIRA and IEU comments.
- Finalize the evaluation report and present it to UNODC Iran Office.

17. Evaluator performance indicator

- 17.1 The evaluation shall produce an evaluation plan/framework, instruments and a final report that is acceptable to the UNODC Iran and Vienna Office within the stipulated timeframe and in accordance with UNODC guidelines for evaluation.
- 17.2 The external independent evaluator will begin his/her work in December 2009 with the collaboration of the UNODC Iran Office and Vienna Headquarters relevant Units. It is expected that the total evaluation process, including the finalisation of the evaluation report, should be finalized by early December 2009.

18. Evaluation report outline shall include inter alia:

- Executive summary (maximum 4 pages)
- Introduction
- Background (Programme/project description)
- Evaluation purpose and objective
- Evaluation Methodology
- Major findings
- Lessons learnt (from both positive and negative experiences)
- Constraints that impacted programme delivery
- Recommendations and conclusions

Annexes to the evaluation report should be kept to an absolute minimum. Only those annexes that serve to demonstrate or clarify an issue related to a major finding should be included. Existing documents should be referenced but not necessarily annexed. Maximum number of pages for annexes = 15.

19. Payment

19.1 The general payment for the international evaluation exercise consists of the following:

- Consultancy fee for 19 working days for 1 evaluator.
- Medical Examination costs for one evaluator.
- Air tickets to Tehran on tourist class and return
- Terminal costs for one evaluator.
- Daily Subsistence Allowance (DSA) in Iran according to the evaluation exercise time table for one evaluator.

International evaluator will be issued consultancy contract and paid in accordance with United Nations rules and procedures.

- The first payment will be made upon signature of the contract (travel expenses plus 75% of the daily subsistence allowance).
- The second payment (50% of the consultancy fee and 25% of the daily subsistence allowance) will be made upon receipt of the draft report by the relevant units and sections at headquarters or field offices and by the Independent Evaluation Unit.
- The third and final payment (50% of the consultancy fee, i.e. the remainder of the fee) will be made only after completion of the respective tasks and receipt of the final report and its clearance by the Independent Evaluation Unit.
- Fees to be paid: (i) average senior expert consultancy fee of US\$ 300 to US\$ 400 per working day, (ii) DSA for Tehran (Iran) of US\$ 249 per day, and (iii) air ticket on most direct flight to Tehran on tourist class.
- Evaluator will be provided with linguistic support / interpretation; covered separately by UNODC Iran Office.

List of annex:

Annex 1: TC/IRN/S12 Project Document (2006)

Annex 2: TC/IRN/S12 Project Mid Evaluation Report

Annex 3: TC/IRN/S12 Project Revision/Extension 2009 - June 2010



*Final Evaluation of the UNODC Iran
Rule of Law Project*

*Improvement of Iranian Legislative and Judicial capacity to tackle Organized Crime and
Money Laundering and promotion of Mutual Legal Assistance (IRN/S12)*

Evaluator: Mr. Giovanni Salvi (Italian)

Assistant Attorney General of the Supreme Court of Cassation (Italy)

AGENDA

Saturday 10 April 2010

Arrival of Mr. Giovanni Salvi in Tehran (04.10 a.m. AZ756)

Meeting with IRN/S12 evaluator (in the afternoon)

Sunday 11 April 2010

- 08:00 – 09:00 Meeting with S12 project staff and analysis of project documents
- 09:00 – 10:00 Introductory meeting with **Mr. Danilo Rizzi**, S12 International Project Coordinator, UNODC Iran
- 10:00 – 11:00 Administrative procedures/briefing, **Ms. Padideh Faeghi**, UNODC Assistant
- 14:30 – 15:00 Meeting with **Mr. Antonino De Leo**, Representative of UNODC Iran
- 15:30 - 16:30 Security briefing session with UNDSS
- 17:30 - 18:30 Meeting with S12 project staff and analysis of project documents

Monday 12 April 2010

- 08:00 – 09:00 Meeting with S12 project staff and analysis of project documents
- 10:30- 11:30 Meeting with **Judge Alireza Saedi**, Acting Director General, Bureau for International Affairs of the Judiciary of the I.R. of Iran (with participation of **Mr. Ali Kazemi** (Acting Director, Deputy for Codification), Judiciary of the I.R. of Iran), **Ms. Talaghani and Mr. Ghochi** (senior experts, Bureau for

International Affairs of the Judiciary)

- 14:00- 14:30 Telephone Conversation with **Mr. Ali Saryazdi**
UNODC Afghanistan
- 15:00- 16:00 Meeting with **Ambassador Mahmood Bayat**, Director General, International Relations office, DCHQ
- 16:30- 17:00 Wrap-up session of the meeting/visits of the day

Tuesday 13 April 2010

- 08:00- 10:00 Meeting with S12 project staff and analysis of project documents
- 10:30- 11:30 Meeting with **Mr. Karimi**, Director General, Planning Bureau, Office for Legal Affairs , Judiciary of the I.R. of Iran
- Meeting with Judiciary PSC/PRC:
- **Mr. Hossein Akbari** (Advisor, Head of legal Affairs Office), Judiciary of the I.R. of Iran
- **Mr. Ali Kazemi** (Acting Director, Deputy for Codification), Judiciary of the I.R. of Iran
- 13:30- 15:00 Meeting with:
- **Dr. Asghar Abolhasani Hastiani**, Vice Minister of Economy and Finance Affairs and Executive Secretary of the AML High Council;
- **Mr. Meisam Ahmad Abadi**, Executive Director of the Iranian Financial Intelligence Unit (following by visit to the FIU and the UNODC AML/CFT Computer Based training Center)
- 16:00- 17:00 Document review and interview with UNODC project manager

Wednesday 14 April 2010

- 09:00- 10:00 Meeting with H.E. **Ambassador Panahi Azar**, Director General, International Legal Affairs, Ministry of Foreign Affairs of the I.R. of Iran (PSC/PRC)
- 11:30- 12:30 Meeting with: (ADL, DR)
- **Ms. Bettina Cadenbach**, Deputy-Head of Mission, Federal Republic of Germany
- **Mr. Rafael Daerr**, First Secretary Counsel, Head of Legal and consular Affairs, Federal Republic of Germany

- 12:30- 13:30 - Meeting with **Ambassadors of the Mini Dublin Group** in Tehran (ADL, DR): Austria Mr. Thomas Buchsbaum, Japan Mr. Akio Shirota, Netherlands Mr. Radinck Vollenhoven, France Bernard Poletti, Embassy of Sweeden Ms. Charlotte Jönsson hosted by Germany Ms. Cadenbach, Mr. Daerr (Germany)
- 14:30- 15:30 Meeting with **H.E. Ambassador Alberto Bradanini**, Republic of Italy (ADL, DR)
- 15:30- 16:30 Meeting with **Mr. Carmine Corvo**, DLO, Republic of Italy
- 17:00-18:00 Wrap up session of the meetings/visits of the day followed by document review and interview with UNODC project manager

Thursday 15 April 2010

- 09:00- 12:30 Meeting with S12 project staff and analysis of project documents
- 13:30- 14:15 Wrap up session with **Mr. Antonino De Leo**, UNODC Iran Representative (ADL, DR)
- 14:30- 17:00 Wrap up session of the meetings/visits of the day followed by document review and interview with UNODC project manager

Friday 16 April 2010

Meeting with S12 project staff and analysis of project documents

Saturday 17 April 2010

Conclusion of the Evaluator's Mission and departure (05:20, AZ 757)