

**UNDG IRAQ TRUST FUND (ITF) MPTF OFFICE  
FINAL PROGRAMME<sup>1</sup> NARRATIVE REPORT**

<p align="center"><b>Programme Title &amp; Project Number</b></p> <ul style="list-style-type: none"> <li>Programme Title: : <i>Strengthening the Capacity of the Housing Sector in Iraq: Bridging for Phase III</i></li> <li>Programme Number (if applicable): <i>E4-20</i></li> <li>MPTF Office Project Reference Number: <i>76234</i></li> </ul>	<p align="center"><b>Country, Locality(s), Thematic Area(s)<sup>2</sup></b></p> <p><i>(if applicable)</i></p> <p>Country/Region: <i>Iraq-nationwide, Kurdistan Regional Government (KRG)</i></p> <hr/> <p>Thematic/Priority <i>Housing and Shelter Sector Outcome Team</i></p>
<p align="center"><b>Participating Organization(s)</b></p> <ul style="list-style-type: none"> <li>Organizations that have received direct funding from the MPTF Office under this programme</li> </ul> <p><i>UN-Habitat and UNDP</i></p>	<p align="center"><b>Implementing Partners</b></p> <ul style="list-style-type: none"> <li>National counterparts and other International Organizations</li> </ul> <p><i>Ministry of Construction and Housing (MoCH), Baghdad, Ministry of Municipalities and Public Works (MMPW), Ministry of Planning and Development Cooperation (MoPDC), Ministry of Justice (MoJ) and KRG</i></p>
<p align="center"><b>Programme/Project Cost (US\$)</b></p> <p>MPTF/JP Fund Contribution: <i>UN-Habitat: \$465,000</i></p> <ul style="list-style-type: none"> <li><i>by Agency (if applicable)</i></li> </ul> <p align="right"><i>UNDP: \$285,000</i></p> <p>Agency Contribution</p> <ul style="list-style-type: none"> <li><i>by Agency (if applicable)</i></li> </ul> <p>Government Contribution <i>(if applicable)</i></p> <p>Other Contributions (donors) <i>(if applicable)</i></p> <p><b>TOTAL: \$ 750,000</b></p>	<p align="center"><b>Programme Duration (months)</b></p> <p>Overall Duration(months) <i>22 months</i></p> <p>Start Date<sup>3</sup> <i>31 August 2010</i></p> <p>End Date (or Revised End Date)<sup>4</sup> <i>30 June 2012</i></p> <p>Operational Closure Date<sup>5</sup> <i>30 June 2012</i></p> <p>Expected Financial Closure Date <i>30 June 2013</i></p>
<p align="center"><b>Final Programme/ Project Evaluation</b></p> <p>Evaluation Completed: <i>A final stakeholder meeting took place before the end of the project to review all activities and reports. It resulted in the approval of all the outputs and requested the</i></p>	<p align="center"><b>Submitted By</b></p> <ul style="list-style-type: none"> <li>Name: <i>Maha Thabit</i></li> <li>Title: <i>Project Officer</i></li> <li>Participating Organization (Lead): <i>UN-Habitat</i></li> <li>Contact information:</li> </ul>

<sup>1</sup> The term “programme” is used for programmes, joint programmes and projects.

<sup>2</sup> Priority Area for the Peacebuilding Fund; Sector for the UNDG ITF.

<sup>3</sup> The start date is the date of the first transfer of the funds from the MPTF Office as Administrative Agent. Transfer date is available on the [MPTF Office GATEWAY](#).

<sup>4</sup> As per approval by the relevant decision-making body/Steering Committee.

<sup>5</sup> All activities for which a Participating Organization is responsible under an approved MPTF programme have been completed. Agencies to advise the MPTF Office.

printing of all relevant reports produced by the experts.

Yes  No Date: \_\_\_\_\_

Evaluation Report - Attached

Yes  No

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## **FINAL PROGRAMME REPORT**

### **I. PURPOSE**

a. Provide a brief introduction to the programme/ project (*one paragraph*).

*The USD \$750,000 Bridge Funding programme for the Strengthening the Capacity of the Housing Sector is intended to better prepare and equip the Government of Iraq and the Ministry of Construction and Housing (MoCH) to meet the increasing needs of the Iraqi housing sector. It builds on previous phases of the Strengthening the Capacity of the Housing Sector program, where a systematic survey and analysis of Iraq's urban housing market in Phase I led to a National Housing Policy in Phase II designed to address Iraq's critical housing needs. The policy shifts the Government's emphasis from direct provision of housing to enabling private sector delivery, through creating a conducive, legislative and regulatory environment, in line with global good practice. A third phase is planned, and aims to support the Government of Iraq in implementing the Policy through providing technical support in key institutional and regulatory reform processes and in technical actions. The Bridge Funding programme will consolidate Phase II and lay foundations for Phase III by putting in place necessary actions to initialize the reform of key institutions that underpin the reform of the sector.*

b. Provide a list of the main outputs and outcomes of the programme as per the approved programmatic document.

*Expected Outcome: Improved Housing delivery System*

- ❖ *Output 1: MoCH, National Human Settlements Committee (NHC), and other stakeholders have evidence base for improved planning and implementation of institutional and regulatory reforms within the housing sector*
  - *1.1 Evaluation of key Housing Sector Outputs relevant to the implementation of the National Housing Policy is undertaken.*
- ❖ *Output 2: KRG is supported to adapt the National Housing Policy to address regionally specific criteria*
  - *2.1 An analysis prepared of key factors related to low-income housing in KRG.*
  - *2.2 Strategy prepared to address low-income housing in KRG, in line with the National Housing Policy*
- ❖ *Output 3: Key housing sector institutions have a framework for realigning roles and building capacity in line with recommendations of the National Housing Policy*
  - *3.2 Roles and responsibilities of key institutions in the housing sector drafted.*
- ❖ *Output 4: Government of Iraq (GoI) has improved knowledge of the potential to establish a commercial housing finance market in Iraq in line with Banking Sector Reform processes*
  - *4.1 Assessment prepared of two major state-owned commercial banks and selected private commercial banks to ascertain their position to engage in Housing Finance*

- Explain how the Programme relates to the Strategic (UN) Planning Framework guiding the operations of the Fund.
- *MDG 7, Target 7a: aims to “integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources.” This programme clarifies the roles of the housing institutions, so that they can be better structured to support sustainable approaches to housing delivery stipulated in the National Housing Policy*
- *Target 7d: aims “by 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers.” This programme contributes to this goal where the State Commission for Housing will gain improved capacity to support local initiatives in slum upgrading and address the housing needs of the poor.*
- *ICI 4.4.1 aims to “improve access to housing by 15%” and NDS 2007-2010 p81 states: “Iraq is facing a serious housing shortage which, unless addressed as a matter of urgency, could have a severe negative impact on the overall quality of life and urban development. A consensus has emerged that the solution to Iraq’s housing shortage lies in a market-driven system founded on a strong housing finance system which can scale-up housing loans for moderate and low-income families.” A market driven housing delivery system relies on a well functioning housing finance system. The programme supports this national priority by scoping the potential of commercial banks to engage in housing finance. By also reviewing roles and responsibilities of housing related institutions, this programme paves the way for the institutional and regulatory reforms that will be needed to support a market driven housing delivery system.*
- List primary implementing partners and stakeholders including key beneficiaries.  
*Stakeholders: MoCH/Baghdad; working groups of the Housing Policy including (MMPW, Amanat Baghdad, MoF, MoJ, MoLSA, MoI, Central Bank of Iraq, MoHE, National Investment Committee ) ; MoCH/KRG with its’ directorates in KRG governorates, Sulaimania Governorate and Duhok governorates.*  
*Beneficiaries: The programme is helping to strengthen institutional capacity within the housing sector through the implementation of policies, strategies and programmes for accelerated supply of housing. This will, if effectively achieved, benefit the entire Iraqi population either directly or indirectly.*

## II. ASSESSMENT OF PROGRAMME/ PROJECT RESULTS

- a. Report on the key outputs achieved and explain any variance in achieved versus planned results.

*Output 1: MoCH, National Human Settlements Committee (NHC), and other stakeholders have evidence base for improved planning and implementation of institutional and regulatory reforms within the housing sector. (Partially achieved as not all outputs are funded)*

- 1.1 Evaluation of key Housing Sector Outputs relevant to the implementation of the National Housing Policy is undertaken. (100% achieved)*
- 1.2 Iraq Housing Market Study originally prepared in 2006 updated to reflect current housing situation. (Unfunded)*

*Output 2: KRG is supported to adapt the National Housing Policy to address regionally specific criteria (100% achieved)*

- 2.1 An analysis prepared of key factors related to low-income housing in KRG.*
- 2.2 Strategy prepared to address low-income housing in KRG, in line with the National Housing Policy.*

*Output 3: Key housing sector institutions have a framework for realigning roles and building*

capacity in line with recommendations of the National Housing Policy. (**Partially achieved as not all outputs are funded**)

- 3.1 Role of the existing NHC strengthened to exist as a high level independent inter-ministerial body to monitor and support the implementation of the National Housing Policy and membership widened to include Ministry of Finance, private sector and civil society members. (**Unfunded**)
- 3.2 Roles and responsibilities of key institutions in the housing sector drafted. (**100% achieved**).

Output 4: Government of Iraq (GoI) has improved knowledge of the potential to establish a commercial housing finance market in Iraq in line with Banking Sector Reform processes. (**Partially achieved as not all outputs were funded**)

- 4.1 Assessment prepared of two major state-owned commercial banks and selected private commercial banks to ascertain their position to engage in Housing Finance. (100% achieved).
- 4.2 Scoping study of the potential for the National Housing Fund to support commercial housing finance prepared. (**Unfunded, but achieved with available funding**)
- 4.3 Study on alternative Housing Finance mechanisms to support households that are not served through commercial housing finance. (**Unfunded**)

- b. Report on how achieved outputs have contributed to the achievement of the outcomes and explain any variance in actual versus planned contributions to the outcomes. Highlight any institutional and/ or behavioural changes amongst beneficiaries at the outcome level.

*Output 1: MoCH, National Human Settlements Committee (NHC), and other stakeholders have evidence base for improved planning and implementation of institutional and regulatory. A study report on the evaluation of key Housing Sector Outputs relevant to the implementation of the National Housing Policy was produced. Discussions were under taken jointly with main stake holders which resulted in the approval of the report. This study was carried out through a participatory approach with relevant counterparts resulting in an overall buy in of conclusions and analysis arrived at in the report.*

*Output 2: KRG is supported to adapt the National Housing Policy to address regionally specific criteria.*

*A strategy was prepared to address low-income housing in KRG in line with the National Housing Policy. This strategy was launched officially in Erbil in September 2012. The ceremony was hosted by MoCH/KRG and attended by representatives of the housing sector in KRG in all three governorates.*

*Output 3: Key housing sector institutions have a framework for realigning roles and building capacity in line with recommendations of the National Housing Policy*

*A report was produced with a matrix specifying roles and responsibilities of relevant directorates of stakeholders concerned with implementing the housing policy in the immediate term.*

*Output 4: Government of Iraq (GoI) has improved knowledge of the potential to establish a commercial housing finance market in Iraq in line with Banking Sector Reform processes.*

*An assessment was made for nearly three times the number of banks required in the programme document. In addition to the three state owned banks, the assessment covered 10 private banks. Recommendations on leveraging public sector funds (the National Housing Fund) were made in developing a private sector housing finance market. The assessment and recommendations informed the more comprehensive financial sector development programme by USAID, feeding into the training curriculum of the newly established Bank Training Institute.*

- c. Explain the overall contribution of the programme to the Strategy Planning Framework or other strategic documents as relevant, e.g.: MDGs, National Priorities, UNDAF outcomes, etc

*The improved institutional and regulatory reforms planning within the housing sector contributes to MDG 7, Target 7a, 7d, ICI (page 5 above)*

*The National Housing Policy addressing regionally specific criteria adapted in KRG contributes to MDG 7, Target 7a, 7d, ICI (page 5 above)*

*A framework for roles of key housing sector institutions in line with the National Housing Policy established contributes to MDG 7, Target 7a, 7d, ICI (page 5 above)*

*Knowledge of Government of Iraq to establish a commercial housing finance market in Iraq in line with banking Sector reform processes improved contributes to MDG 7, Target 7a, 7d (page 5 above)*

- d. Explain the contribution of key partnerships and collaborations, and explain how such relationships impact on the achievement of results.

*This programme is a third phase of a capacity building programme targeting the housing sector in Iraq which has already started in 2006. Partnerships were established with stakeholder ministries of the housing sector namely the MoCH in Baghdad as the lead ministry, other partners involved in the implementation of the housing policy who participated in discussions and immediate term work plan for implementation included: MMPW, Amanat Baghdad, MoF, MoJ, MoLSA, MoI, Central Bank of Iraq, MoHE, National Investment Committee. In KRG, there is an ongoing programme targeting the housing sector which has yielded good results and lessons learnt of which this programme will benefit from. A coordination network between KRG ministries (MoCH, MMT, MoP, Governorate of Erbil, Erbil Municipality) and Baghdad is being encouraged through exchange of expertise and policy directions.*

- e. Who have been the primary beneficiaries and how they were engaged in the programme/project implementation? Provide percentages/number of beneficiary groups, if relevant.

*The programme was about capacity building, technical assistance and assessment of previous phases revolving around the improvement of the housing sector in Iraq towards sustainability and providing access to adequate housing for all. In that sense, beneficiaries are staff from government directorates whose capacities have been built in addition to the whole nation benefiting from the results of the programme.*

- f. Highlight the contribution of the programme on cross-cutting issues pertinent to the results being reported.

- *Gender Equality: The programme addresses housing reform process that look into land management issues. Tenure security issues that affect women in Iraq as a result of inheritance practices and due to titles in a spousal relationship usually being held by the man. Lack of tenure security can leave people vulnerable to being excluded from civil processes, not being able to access finance through lack of collateral and in some cases results in social exclusion.*
- *Environment: One of the principles of the housing sector reform is the promulgation of environmentally appropriate construction practices; this will be taken forward in Phase III for which this programme is a preparatory phase.*
- *Employment Generation: It is widely recognized that a well functioning housing market is an employment generator. This programme is contributing to housing sector reform, which provides a level playing field for private sector engagement in housing production, will propagate the employment generation potential associated with a well functioning housing market.*

- g. Has the funding provided by the MPTF/JP to the programme been catalytic in attracting funding or other resources from other donors? If so, please elaborate.

*The principle of co-funding with GOI has been recently introduced but not yet fully implemented because the mechanisms for carrying out the co-funding are not clearly defined. Engagement with USAID Iraq Financial Sector Development (IFD) Programme was intensified in order to have the report inform the wider financial sector reform process in Iraq and ensure that follow-up activities be incorporated into relevant on-going initiatives.*

- h. Provide an assessment of the programme/ project based on performance indicators as per approved project document using the template in Section IV, if applicable.

### III. EVALUATION & LESSONS LEARNED

- a. Report on any assessments, evaluations or studies undertaken relating to the programme and how they were used during implementation. Has there been a final project evaluation and what are the key findings? Provide reasons if no evaluation of the programme have been done yet?

*As mentioned earlier, this programme is a bridging for phase 3. It has been focusing on evaluating and assessing earlier phases, and primarily how best to practically implement results based on available capacities and recourses and how to improve them. The reports produced were printed out and delivered to partners in Baghdad and Erbil/KRG:*

- 1. Evaluation of the housing policy and strategies for three Iraqi cities*
- 2. Evaluation of the process for preparing the housing policy and three strategies*
- 3. Immediate term work plan for implementing the housing policy*
- 4. Institutional and capacity development report.*
- 5. Strategies to address low income housing in Erbil*
- 6. Developing a private sector housing market in Iraq*

- b. Explain, if relevant, challenges such as delays in programme implementation, and the nature of the constraints such as management arrangements, human resources, as well as the actions taken to mitigate, and how such challenges and/or actions impacted on the overall achievement of results.

- A budget revision/change of scope was submitted upon the request of the counterpart Ministry (MoCH, Baghdad). A number of outputs have been slightly amended to realign with the implementation of the Iraq National Housing Policy document that was recently approved by the cabinet of ministers. Other outputs were shifted to the coming phase of implementation making way for more urgent needs.*
- Since this phase is a bridge funding consolidating phase II and laying the foundations for Phase III, only some of the sub outputs have been funded as shown under the list of Outputs and Key Activities mentioned earlier.*
- The challenge remains in shifting the mind set and the way the government has been operating for decades so that an alignment with contemporary and modern housing policies and strategies could be attained to support the most in need.*
- There is a need for a serious and strong political will from the government side to support the process of change.*
- A budget revision (time extension and movement of funds) was submitted and approved to overcome the delays that took place. Delays were related to coordination among housing related ministries in KRG on an agreement on roles and responsibilities. Delays in appointing supporting staff from MoCH/Baghdad were faced which led to the recruitment of a national consultant from the UN part after realizing that the MoCH/Baghdad will not be able to perform the required tasks.*

- c. Report key lessons learned that would facilitate future programme design and implementation, including issues related to management arrangements, human resources, resources, etc.,

*MoCH has expressed satisfaction with the results achieved and welcomed further future cooperation through pilot projects that were presented in the proposed steps forward.*

#### IV. INDICATOR BASED PERFORMANCE ASSESSMENT

	Performance Indicators	Indicator Baselines	Planned Indicator Targets	Achieved Indicator Targets	Reasons for Variance (if any)	Source of Verification	Comments (if any)
<b>Output 1: MoCH, National Human Settlements Committee (NHC), and other stakeholders have evidence base for improved planning and implementation of institutional and regulatory</b>							
<b>Output 1.1</b>	Indicator 1.1.1		<i>Evaluation of key Housing Sector Outputs relevant to the implementation of the National Housing Policy is undertaken.</i>	<i>Achieved</i>			
<b>Output 1.2</b>	<u>Indicator 1.2.1</u>		<i>Iraq Housing Market Study updated</i>	<i>Not achieved</i>	<i>Unfunded output</i>		
<b>Output 2: KRG is supported to adapt the National Housing Policy to address regionally specific criteria</b>							
<b>Output 2.1</b>	Indicator 2.1.1		<i>Report prepared to support KRG to adapt the National Housing Policy to address regionally specific criteria</i>	<i>Achieved</i>			
<b>Output 2.2</b>	Indicator 2.2.1		<i>Strategy prepared to address low-income housing in KRG, in line with the National Housing Policy.</i>	<i>Achieved</i>			
<b>Output 3: Key housing sector institutions have a framework for realigning roles and building capacity in line with recommendations of the National Housing Policy</b>							
<b>Output 3.1</b>	Indicator 3.1.1		<i>ToR for National Habitat Committee reviewed</i>	<i>Not achieved</i>	<i>Unfunded output</i>		
<b>Output 3.2</b>			<i>Roles and responsibilities of key institutions in the housing sector drafted</i>	<i>Achieved</i>			
<b>Output 4: Government of Iraq (GoI) has improved knowledge of the potential to establish a commercial housing finance market in Iraq in line with Banking Sector Reform processes</b>							
<b>Output 4.1</b>	Indicator 4.1.1		<i>Assessment prepared of 5-8 commercial banks to ascertain their position to engage in Housing</i>	<i>Achieved</i>			

			<i>Finance</i>				
<b>Output 4.2</b>	Indicator 4.2.1		<i>Scoping study of the potential for the National Housing Fund to support commercial housing finance prepared</i>	<i>Achieved</i>			<i>This output was not funded, but was able to be achieved with the available funding from the ITF for output 4.1.</i>
<b>Output 4.3</b>	Indicator 4.3.1		<i>Study on alternative Housing Finance mechanisms to support households that are not served through commercial housing finance.</i>	<i>Not achieved</i>	<i>Unfunded output</i>		

*List of abbreviations:*

*MoCH: Ministry of Construction and Housing/Baghdad*

*MoP: Ministry of Planning*

*MMPW: Ministry of Municipalities and Public Works*

*KRG: Kurdistan Regional Government*

*MMT: Ministry of Municipalities and Tourism (KRG)*

*MoF: Ministry of Finance*

*MoJ: ministry of Justice*

*MoLSA: Ministry of Labour and Social Affairs*

*MoI: Ministry of Industry*

*MoHE: Ministry of Higher Education*