



**ANNUAL PROGRAMME<sup>1</sup> NARRATIVE PROGRESS REPORT**  
**REPORTING PERIOD: 1 JANUARY – 31 DECEMBER 2009**  
**FINAL REPORT**

***Submitted by:***

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***Country and Thematic Area<sup>2</sup>***

*(when applicable)*

**Project No:** E4-14

**MDTF Office Atlas No:** 66907

**Programme Title:**

**Rehabilitation of Community  
Facilities and Infrastructure**

***Participating Organization(s):***

***Implementing Partners:***

- Ministry of Construction and Housing, Ministry of Municipalities and Public Works, Ministry of Health, Ministry of Labor and Social Affairs, Local Municipal Councils, Iraqi Contractors and Consultants.
- Local and international suppliers and Local contractors

***Programme Budget (from the Fund):***

UNDG ITF: \$ 16,025,007 ( contribution from  
Government of Japan)

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

<sup>2</sup> E.g. Priority Area for the Peacebuilding Fund; Thematic Window for the Millennium Development Goals Fund (MDG-F); etc.

***Project Duration (in months):14 months***

***Start date<sup>3</sup>: 9 September 2005***

***End date:***

- Original end date : 31 October 2006
- Revised end date: 30 September 2009
- Operational Closure Date: 31 September 2009

***Budget Revisions/Extensions:***

***List budget revisions and extensions, with approval dates:***

1st budget revision and extension was up to 31 March 2007

2nd budget revision and extension was up to 31 December 2008

3<sup>rd</sup> Budget revision and extension up to 31 March 2009

4<sup>th</sup> extension of time up to 30 June 2009

5<sup>th</sup> extension of time up to 30 September 2009

## **NARRATIVE REPORT FORMAT**

### **I. Purpose**

- **Provide the main outputs and outcomes/objectives of the programme.**

#### **Main Objective**

The main objective of the project is to improve the living conditions of the most vulnerable groups in Iraqi society, primarily the urban poor, women-headed households and/or persons living in disadvantaged neighborhoods of Iraq cities and towns.

#### **Immediate Objectives:**

- 1- Improve housing conditions for 2,000 families (15,000 persons and 1,100 orphans)
- 2- Improve the living environment in 8 urban areas (650,000 persons) by rehabilitating water supply and sewerage system and re-establishing solid waste disposal systems.
- 3- Promote community based approaches in the operation and maintenance of basic services.
- 4- Assist in reducing the level of unemployment in Iraq by expanding employment opportunities in the construction sector.

#### **Outputs:**

The main outputs as per the approved project document are as follows:

1. Housing conditions improved for 2,000 vulnerable families (15,000 persons) and adequate shelter and ancillary facilities provided for about 1,100 orphans.

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<sup>3</sup> The start date is the date of the first transfer of funds from the MDTF Office as Administrative Agent.

2. Improved water supply and sanitation infrastructure in 8 urban areas benefiting about 650,000 persons. This will involve rehabilitation of 13 water treatment units and 1 sanitary utility each in Basra and Samawa. Construction of 5 storm water net works, 1 sanitary network and 2 pump stations in two other locations with necessary access roads.
  3. Job opportunities for about 3,000 construction workers (on average) during the implementation phase of the project (amounting to about 570,000 person-days of direct employment).
  4. Skills developed for construction workers and young engineering professionals involved in the rehabilitation activities.
- **Explain how the Programme relates to the Strategic (UN) Planning Framework guiding the operations of the Fund.**

- **UN Assistance Strategy for Iraq,**

The project was an integral component of the Programme being implemented by both Housing & Shelter and WATSAN Sector Outcome Teams (SOT) within the framework of the UN Assistance Strategy for Iraq. The project will contribute to the achievement of at least three objectives, which are outlined in the SOT strategic plan: (1) to improve shelter conditions for vulnerable groups; (2) increase access to potable water in urban areas and (3) increase solid waste collection and disposal.

- **UN Millennium Development Goals,**

The project has contributed to Millennium Development Goal 7, Targets 10 and 11, which aim at ensuring environmental sustainability through the following actions: (1) reduce by half the proportion of people without sustainable access to safe drinking water, and (2) achieve significant improvement in the lives of at least 100 million slum dwellers by 2020.

- **Iraqi National Development Strategy (NDS),**

The project has responded to the NDS goals of improving living conditions: Goal 5 - Reduce maternity deaths, Goal 6 - Full access to water and health services, Goal 7 - Decent housing for all.

- **International Compact with Iraq (ICI),**

The project has contributed to achieving the following ICI goals:

1- Towards achieving basic universal education; 4.4.1.5: Reduce population without access to drinking water and sanitation to 10% urban, 30% rural

2-Reduce illiteracy by 50% (Baseline UBN 31.8% of population have no access to education) Building human capital for sustained growth

## **II. Resources**

### ***Financial Resources:***

- **Provide information on other funding resources available to the project, if applicable.**  
None
- **Provide details on any budget revisions approved by the appropriate decision-making body, if applicable.**

A number of budget revisions, as listed earlier, were approved by the SCSO office for the following reasons:

1. For use of saving made under international consultants budget line, which was not used due to fact that national consultants were qualified enough to provide the technical and managerial guidance for implementing the project activities.
2. Minor increase in the cost of international and national staff due to the extension of project duration to implement the planned and additional activities.
3. Using local contractors at the governorate level has resulted in a significant saving under the contracts budget line, which lead to increase of number of projects benefiting more people, and allowed for movement of about 1% of the allocated budget to cover the additional cost of national and international staff managing the project.

The targeted number of projects and scope of work have been changed to meet the counterpart needs, as follows:

- The number of rehabilitated houses has increased from 2,000 to 2,460.
  - Rehabilitation of public facilities including (maternity and children hospital, public hospital, and youth centre)
  - Rehabilitation of a dispensary
  - Three additional water treatment plants (WTP) were rehabilitated, increasing the total number from 14 to 17.
  - The rehabilitation works for sewerage networks have been changed into construction of new sewerage networks.
  - The rehabilitation works for one dispensary centre in Samawa was changed to construction of a new dispensary centre.
  - The rehabilitation of 11 schools in (5 in Baghdad, 4 in Missan, an 2 in Erbil)
  - The rehabilitation of one PHC in Baghdad.
- **Provide information on good practices and constraints in the mechanics of the financial process, times to get transfers, identification of potential bottlenecks, need for better coordination, etc.**

The implementation of the various rehabilitation works was delayed, largely due to security linked constraints. Further, the supply of equipment has been affected by difficulties in border crossing and in obtaining custom clearances from the Iraqi authorities. Moreover, there were difficulties in importing some of the major items particularly for the construction of storm water networks and the paving of asphalt due to the shortage of raw materials in the local market.

The implementation experience of this project has provided the following bottle necks:

Implementation planning of rehabilitation works: Most rehabilitation works took much longer time than planned due to security-related problems. This experience has helped to plan the implementation schedules more realistically, factoring in such unanticipated delays. Offshore procurement was also delayed due to long procedures to obtain customs clearances and transportation of goods across borders or through Um-Qasr port.

Fluctuations of market price: Market prices of both labour and materials have been extremely volatile, affecting the final cost of the projects and scope of the project. UN-HABITAT now carries

out sensitivity analyses of all its designs to rationalize the use of those building materials which are seen to be highly price volatile.

Procurement of Hi tech equipment: There are very few suppliers of Hi tech equipment willing to undertake supplies to Baghdad due to security concerns. This is primary due to the requirement to also conduct on site training of personnel involved in the O&M of such equipment. This not only limits competition as is desired under UN Financial Rules and Regulations but often there are no willing suppliers. This also has implications for post-supply maintenance and repairs support services.

#### ***Human Resources:***

- National Staff: Provide details on the number and type (operation/programme):
  - 1- One national admin/finance staff
  - 2- One national programme staff,
  - 3- Four national technical experts
  - 4- Eight national field engineers.
  
- International Staff: Provide details on the number and type (operation/programme)  
Three international staff for operations and programme work (part time)
  - 5- Programme Manager
  - 6- Rehabilitation Expert
  - 7- Programme Management Officer

### **III. Implementation and Monitoring Arrangements**

- **Summarize the implementation mechanisms primarily utilized and how they are adapted to achieve maximum impact given the operating context.**

UN-HABITAT depended on its experience in field implementation with monitoring done remotely from the Offices in Kuwait and Amman. However, since June 2006, these two offices were merged under one management in Amman. UNHABITAT adhered to a system of tendering and procurement based on full transparency, built-in checks and balances and a clear segregation of functions, as follows:

1. UN-HABITAT national consultants, with the active participation of local authorities and beneficiaries, carried out detailed assessments of the facility to be rehabilitated. An assessment report was prepared and formed the basis for discussion among all stakeholders to agree on the priority needs. As soon as consensus was reached on the broad scope of the rehabilitation works, Bills of Quantities were prepared by the consultants, which set out, in precise detail, the scope of work, and specifications.
2. The Bills of Quantities and the technical specifications were then sent to the UN-HABITAT Office in Kuwait/Amman for review. Once approved, the UN-HABITAT Programme

Manager authorized the preparation of the tender documents. The rehabilitation works were packaged into small contracts - typically between \$50,000 and \$200,000 in size – to maximize participation of small local contractors, who in turn were better placed to use labor intensive approaches and thereby increase local job generation.

3. The tender evaluation process incorporated a system of checks and balances with a clear segregation of functions. Tenders were opened publicly in the field by a Tender Opening Committee and evaluated by a separate Tender Evaluation Committee. A technical review team based in Amman prepared the Agency Estimate, using monthly updated market prices. For contracts that exceeded \$150,000, the tender evaluation report was subject to review and approval by the United Nations Office in Nairobi (UNON) and the Local Contracts Committee in Nairobi. Contracts less than \$150,000 were reviewed and approved by the Programme Manager under the terms of a delegation of authority.
4. Once the lowest acceptable tender was established, contracts were awarded and works began.

The rehabilitation works were supervised and monitored by Iraqi national consultants. Progress of the works was monitored through time-series photographs, daily briefings from the consultants, test reports from approved agencies, and interviews with local authority staff and beneficiaries.

- **Provide details on the procurement procedures utilized and explain variances in standard procedures.**

1. The tender evaluation process incorporates a system of checks and balances with a clear segregation of functions. Tenders are opened publicly by a Tender Opening Committee and evaluated by a separate “Tender Evaluation Committee” (TEC). Agency cost estimation is done in Amman Office for each contract, using quarterly updated market prices for construction materials and skilled & unskilled labor. This estimation is considered a reference for the TEC during the evaluation process
2. For contracts that exceed \$150,000, the tender evaluation report is subject to review and approval by the Local Contracts Committee of the United Nations Office in Nairobi (UNON). Contracts that are less than \$150,000 are locally reviewed and approved by the Programme Manager under the terms of a special delegation of authority.
3. Once the lowest acceptable tender is identified, the contract is awarded.

- **Provide details on the monitoring system(s) that are being used and how you identify and incorporate lessons learned into the ongoing project.**

1. The rehabilitation works are supervised and monitored by Iraqi national consultant engineers and architects. The progress of works is monitored and approved through time-series photographs, daily briefings from the consultants, videos & telecommunication, and laboratory test reports for quality control of construction materials. In addition, initial handing over certificate is issued upon completion and receipt of the rehabilitated facility by the direct beneficiaries.
2. Payment requests are submitted by the contractors according to a certain percentage of completion of works in line with the terms and conditions of the contract. The payment

requests include detailed measurements of implemented items. Photos reflecting the progress of works before and after completion are thoroughly checked by the Senior Engineer & the Rehabilitation Expert in Amman Office to ensure that the works are completed in high quality and on time. The payment requests are certified by the Programme Management Officer, and approved by Programme Manager before being finally sent to HQ for processing.

3. During the maintenance period, constant checks of the implemented work are carried out by the field personnel to guarantee implementation sustainability and defects repair. This is further substantiated through interviews with local authority staff and beneficiaries on their perceived quality of works. All contracts incorporate a defects liability clause so that any defects, which emerge after completion have to be repaired by the contractor.
4. Before the rehabilitated facility is finally accepted, a final inspection is undertaken by an Acceptance Committee, which comprises representatives of the Local Authority, the beneficiaries, the relevant department of the government and UN-HABITAT staff and consultants. The final payment is not released until the Acceptance Committee certifies that all work has been satisfactorily completed.

- **Report on any assessments, evaluations or studies undertaken.**

1. Technical assessment of priority needs of rehabilitation and construction of infrastructure was conducted at the early stage of the project.
2. Internal audit was done by OIOS on the financial and administration of the project
3. The project was selected by UNAMI for the third party evaluation; the evaluation has started in March 2010, and expected to be completed by May 2010.

#### **IV. Results**

- **Provide a summary of Programme progress in relation to planned outcomes and outputs; explain any variance in achieved versus planned outputs during the reporting period.**

1. Rehabilitation works of 11 primary and intermediate schools ( 5 in Baghdad- Sadr City, 4 in Missan and 2 in Erbil) were completed.
2. Rehabilitation and extension of Primary Health Center (PHC) in Baghdad was completed.
3. Training of 20 engineers from Directorate of Water in Erbil on Best Practices in Operation and Maintenance was completed.

- **Report on the key outputs achieved in the reporting period including # and nature of the activities (inputs), % of completion and beneficiaries.**

1. 400 school-age children benefited from the rehabilitation works of 11 primary and intermediate schools (5 in Baghdad- Sadr City, 4 in Missan and 2 in Erbil).
2. 10,000 people benefited from rehabilitation and extension of Primary Health Center (PHC) in Baghdad.
3. 20 engineers benefited from the training held from Directorate of Water in Erbil on best practices in Operation and Maintenance.

- **Explain, if relevant, delays in programme implementation, the nature of the constraints, actions taken to mitigate future delays and lessons learned in the process.**

The implementation of the various rehabilitation works was delayed, largely due to security linked constraints. Further, the supply of equipment has been affected by difficulties in border crossing and in obtaining custom clearances from the Iraqi authorities. Moreover, there were difficulties in importing some of the major items particularly for the construction of storm water networks and the paving of asphalt due to the shortage of raw materials in the local market.

The implementation experience of this project has provided the following significant lessons:

Implementation planning of rehabilitation works: Most rehabilitation works have taken much longer time than planned due to security-related problems. This experience has helped to plan the implementation schedules more realistically, factoring in such unanticipated delays. Offshore procurement was also delayed due to long procedures to obtain customs clearances and transportation of goods across borders or through Um-Qasr port.

Fluctuations of market price: Market prices of both labour and materials have been extremely volatile, affecting the final cost of the projects and scope of the project. UN-HABITAT now carries out sensitivity analyses of all its designs to rationalize the use of those building materials which are seen to be highly price volatile.

Procurement of Hi tech equipment: There are very few suppliers of Hi tech equipment willing to undertake supplies to Baghdad due to security concerns. This is primarily due to the requirement to also conduct on site training of personnel involved in the O&M of such equipment. This not only limits competition as is desired under UN Financial Rules and Regulations but often there are no willing suppliers. This also has implications for post-supply maintenance and repairs support services.

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

UN-HABITAT worked closely with the following partners in the project implementation:

1. Ministry of Construction and Housing and Ministry of Municipalities and their directorates at the governorate level.
2. The municipal councils for the residential areas, representatives of the local water and sewerage authorities in each targeted governorate, and representatives of the Directorate of Health (DoH) in Samawa conduct frequent field visits in collaboration with UN-HABITAT consultant engineers. These partners continue to be involved in all procedures relating to identification of neighborhoods and public facilities, bid opening, supervision of the works, and final approval of the delivered work. Also, representatives from Baghdad Mayoralty are involved in the process of proposing and approving technical specifications of the cleaning & inspection equipment for Baghdad sewerage network.
3. Local contractors in order to maximize the employment impact of the project and ensure cost effectiveness
4. Local consultants and engineers are engaged to conduct technical assessments of scope of work, prepare bidding documents and undertake tender opening processes. These consultants also supervise, follow up and control the rehabilitation works according to tender based requirements including: quality of work and compliance with technical

specifications and quantities according to the approved BoQ and timely completion of works.

5. International suppliers for procurement of technical equipment, tools and instruments

- **Other highlights and cross-cutting issues pertinent to the results being reported on.**

The specific achievements regarding various cross cutting themes are as follows:

1. **Gender and Human Rights:** The project addressed issues of human rights and gender equality taking into consideration the different needs, interests and conditions of women and men, in the design, implementation, monitoring and evaluation of the project activities. The project has so far secured shelter, water and sanitation services for a vulnerable segment of the society in addition to its contribution to reducing mortality and improving maternity and child health facilities. Since the project concerns itself primarily with the rehabilitation of community infrastructure, selection of sub projects, specific design approaches etc. are all subject to community consultation. The housing rehabilitation component of this project has been executed in close partnership with client communities and preference has been given to poorer and women headed households as a matter of rule.
2. **Employment:** Thus far, the project has generated 240,655 persons-days of local employment, of which 5,200 person-days were generated over the last six months. During the reporting period, the project has contributed to significant capacity development of 4 new local contractors. .
3. **Environment:** Through expanded access to potable water, the project has indirectly and potentially contributed towards environmental and health improvement, with more cleaning activities being undertaken. Through improved sanitation facilities, the project has contributed directly to urban environmental and health improvement resulting in reduction of water-borne diseases. The supply of garbage collectors has increased systematic garbage collection and directly contributed to improvements in environmental health conditions.

## **V. Future Work Plan (if applicable)**

- **Summarize the projected activities and expenditures for the following reporting period (1 January-31 December 2010), using the lessons learned during the previous reporting period.**

The project was operationally closed by the end of September 2009

- **Indicate any major adjustments in strategies, targets or key outcomes and outputs planned.**

The targeted number of projects and scope of work have been changed to meet the counterpart needs and utilize the saving made under contract budget line as follows:

- The number of rehabilitated houses has increased from 2,000 to 2,460.
- Rehabilitation of public facilities including (maternity and children hospital, public hospital, and youth centre)

- Rehabilitation of a dispensary
- Three additional water treatment plants (WTP) were rehabilitated, increasing the total number from 14 to 17.
- The rehabilitation works for sewerage networks have been changed into construction of new sewerage networks.
- The rehabilitation works for one dispensary centre in Samawa was changed to construction of a new dispensary centre.
- The rehabilitation of 11 schools in (5 in Baghdad, 4 in Missan, an 2 in Erbil)
- The rehabilitation of one PHC in Baghdad.

## VI. Performance Indicators (optional)<sup>4</sup>

- Fill the table in this section to report on the indicators set at the output level as per the approved results framework in the programme document.

Objectives	Measurable indicators	Means of verification	Outcomes
<p>Development Objective: To improve the living conditions of the most vulnerable groups in Iraqi Society, primarily the urban poor, women headed households and/or persons living in disadvantaged neighborhoods of Iraqi Cities and Towns</p>	<p>Successful completion of project and getting the Completed project operational</p>	<p>Completion reports and hand over statements</p>	<p>Living conditions of about one million inhabitants living in the targeted Iraqi cities, primarily the urban poor, women headed households and/or persons living in disadvantaged neighborhoods of Iraqi Cities and Towns have benefited from improving their infrastructure.</p>
<p>Original Outputs :</p> <ol style="list-style-type: none"> <li>1. Housing conditions improved for 2,000 vulnerable families (15,000 persons) in five selected locations (Baghdad, Basra, Samawa, Najaf and Erbil) and adequate shelter and ancillary facilities provided for about 1,100 orphans/physically challenged persons.</li> <li>2. Improved water supply and sanitation infrastructure in 8 urban areas benefiting about 650,000 persons. This will</li> </ol>	<ul style="list-style-type: none"> <li>- Enhanced quality of life through improved housing conditions.</li> <li>- Improved quality of life for orphans.</li> <li>- Improvement of health and sanitation services</li> <li>- Enhanced</li> </ul>	<p>Completion reports and hand over statements</p>	<p>1-Housing conditions improved for 2,460 vulnerable families (17,150 persons) in five selected locations (Baghdad, Basra, Samawa, Najaf and Erbil) and adequate shelter and ancillary facilities provided for about 1,100 orphans and physically challenged persons. 2- Improved water supply and sanitation infrastructure in 8 urban areas benefiting</p>

<sup>4</sup> E.g. for the UNDG Iraq Trust Fund and the MDG-F.

<p>involve rehabilitation of 13 water treatment units and 1 sanitary utility each in Basra and Samawa. Construction of 5 storm water net works, 1 sanitary network and 2 pump stations in two other locations with necessary access roads.</p> <p>3. Community based approaches to solid waste management in place Job opportunities for about 3,000 construction workers (on average) during the implementation phase of the project (amounting to about 570,000 person-days of direct employment through local contractors selected in the area of specific intervention.</p> <p>4. Skills developed for construction workers and young engineering professionals involved in the rehabilitation activities</p>	<p>public facilities and services</p>		<p>about 650,000 persons</p> <p>3- Enhanced public facilities and services through the rehabilitation and upgrading of hospitals, primary health centers, and youth centers benefiting a total of 304,000 inhabitants including pregnant mothers, children, infants and youth.</p> <p>4- Local employment opportunities of 242,948 person-days were created during the project period.</p>
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## VII. Abbreviations and Acronyms

- List the main abbreviations and acronyms that are used in the report.

BoQ	Bills of Quantities
DOH	Directorate of Health
ICI	International Compact with Iraq
MOH	Ministry of Health
MDTF	Multi-Donors Trust Fund
NDS	National Development Strategy
OIOS	Office of Internal
O&M	Operations and Maintenance
SOT	Sector Outcome Team
SCSO	Steering Committee Support Office
TEC	Tender Evaluation Committee
UNDG	United Nations Development Group
UNON	United Nations Office in Nairobi
WTP	Water Treatment Plant