

Annex 1



UN HABITAT
FOR A BETTER URBAN FUTURE

UNDG IRAQ TRUST FUND

ANNUAL PROGRAMME¹ NARRATIVE PROGRESS REPORT REPORTING PERIOD: 1 JANUARY – 31 DECEMBER 2009

Submitted by:

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Country and Thematic Area²

(when applicable)

Govt of Iraq, Baghdad

Programme No: C10-10

MDTF Office Atlas No: 66994

Programme Title:

**Local Government Association and Urban
Development Capacity Building Project**

Participating Organization(s): UN-HABITAT

Implementing Partners:

- *National counterparts (government, private, NGOs & others)*

Ministry of Municipalities and Public Works (MMPW)

- *International Organizations, including NGOs*

Programme Budget (from the Fund):

UNDG ITF US \$ 1,985,256

¹ The term “programme” is used for programmes, joint programmes and projects.

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

Programme Duration (in months):

Start date³: 26 March 2008

End date:

- *Original end date 26 June 2009*
- *Revised end date, if applicable: 26 June 2010*
- *Operational Closure Date⁴, if applicable:*

Budget Revisions/Extensions:

List budget revisions and extensions, with approval dates, if applicable

First extension was up to 26 December 2009

Second extension was up to 26 June 2010

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

⁴ All activities for which a Participating Organization is responsible under an approved MDTF programme have been completed. Agencies to advise the MDTF Office.

NARRATIVE REPORT FORMAT

I. Purpose

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

Development Goal :

Better planned municipalities playing an effective role in managing reconstruction and future development and contributing to an enhanced quality of life for Iraqi citizens.

Immediate Objective 1. To improve the capabilities of 250 urban, regional and rural development planners within the Ministry of Municipalities and Public Works' Physical Planning Directorate and Municipalities Directorate in the areas of urban planning and reconstruction, development control and local economic development planning and promotion

Immediate Objective 2. To establish an Iraqi Municipal Association which will enable municipalities to share information and experiences, voice their concerns and priorities to regional and central governments, play a role in future deliberations regarding decentralization and local government reform and sponsor future conferences and training programmes.

Outputs:

1.1 Two hundred and fifty planners from the Ministry of Municipalities and Public Works trained in the areas of urban planning and reconstruction, development control and local economic development planning and promotion.

1.2 Ministry planners effectively managing the preparation of master plans for Iraqi cities and towns.

2.1 A fully established Iraqi municipal association with a constitution, board of directors, budget and work plan.

2.2 A municipal association policy statement regarding decentralization and local government reform.

- Explain how the Programme relates to the Strategic (UN) Planning Framework guiding the operations of the Fund.

- UN Assistance Strategy for Iraq

This project conforms to the 2005-07 and 2008-2010 UN Assistance Strategy and falls under Outcomes 1 and 2 of Cluster C, Governance and Human Development and was reviewed and approved by the cluster members

- UN Millennium Development Goals

The project contributes towards attaining the following Millennium Development Goals through improving management of urban development by providing Capacity Building to urban and regional planners that are employed by the Ministry of Municipalities and Public Works (MMPW) at both the central and local levels to play a more effective role in urban planning and reconstruction activities and the stimulation of local economic development in Iraq's cities and towns.

- Joint Needs Assessment

The project responds to the medium term priorities of providing Urban Development Capacity Building Projects to 251 municipalities to promote their collective interests at the national and regional levels, educate local government elected officials and senior staff and the general public about important municipal issues, promote inter-municipal communication through exchanges of information and play a role in the design and delivery of future local government training activities. This project was designed in collaboration with officials from the Ministry of Municipalities and Public Works and has been approved for implementation by the Minister. The proposed project activities were universally recognized as being important priorities by the stakeholders that were involved in UN-HABITAT's recently completed Urban Sector Strengthening Project

- Iraqi National Development Strategy (NDS)

"Improving the quality of life" is a core pillar of the Iraqi NDS. The project supports the same and endeavours towards achieving the pre-2003 service levels as desired under the NDS.

II. Resources

Financial Resources:

- Provide information on other funding resources available to the project, if applicable.

MMPW will commit accommodation and support facilities for in-country training of staff.

- Provide details on any budget revisions approved by the appropriate decision-making body, if applicable.

First extension of project duration was approved on the 16th June 2009 by DSRSG/Chairman of UNDG ITF to extend project till 26 December 2009.

Second extension of project duration was submitted on the 29th November 2009 to extend project till 26 June 2010.

- 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.

UN-HABITAT Iraq Programme follows and applies the United Nations financial rules and regulations and other official directives in undertaking financial activities of the projects and programmes for which the UN-HABITAT Iraq Programme has administrative responsibilities. UN-HABITAT establishes separate accounts for individual projects and funds and operates the financial transactions under the auspices of the United Nations Office in Nairobi (UNON). The latter approves all financial transactions and certifies financial statements of the UN-HABITAT accounts. Due to absence of working banking systems in Iraq, transfer of funds for project activities are remitted through money vendors against transfer charges. The inability of the money vendors to transfer desirable amount of funds at specific time in Iraq will adversely affect the implementation of activities as well as the credibility of the agency for efficient and timely implementation of the activities. The UN-HABITAT Iraq Programme explores best practices in undertaking its financial activities by discussing operational issues with other UN agencies at the Operations Management Team Meetings (OMT). It also discusses and explores best practices and operational issues with other UN agencies, bilaterally.

Human Resources:

- National Staff: Provide details on the number and type (operation/programme).

The project employs part time project officers in Amman and Baghdad, six consultant/trainers and an international planning consultant. The Netherlands Municipal Association is being engaged to assist with capacity development of the Iraqi Municipal Association.

- International Staff: Provide details on the number and type (operation/programme)

The project employs an international planning consultant and is managed part time by an international staff member.

III. Implementation and Monitoring Arrangements

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

Three main implementation mechanisms are being used to deliver this project. These include (i) under an agreement of co-operation with the Government Organisation of Physical Planning (GOPP) Egypt design and implementation of a Training of Trainers programme; (ii) recruitment of national consultant academics and practitioners from all over Iraq to train staff within MMWP and MoPDC and (iii) staff and consultant support to the Iraqi Local Government Association.

Due to issues of security UN-HABITAT maintains a low profile inside Iraq to avoid any possible negative repercussions to premises and staff. As such the international staff member is based in Amman and provides guidance and support to national staff and operations in Iraq.

National consultants act as liaison with ministry and local counterparts on behalf of UN-HABITAT to conduct any assessment or training required within the project scope.

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

There is no procurement of equipment under this project. Any procurement of staff or organisations complies with UNHABITAT procurement processes set out below.

All procurement activities are undertaken based on core principles of the UN Financial Rules and Regulations which are, best value for money, fairness, integrity and transparency, effective competition and the interest of the United Nations. The provisions of the UN Procurement Manual, which is subordinate to the provisions of the UN financial rules and regulations govern and guide the procurement activities. Within this framework, procurement of local goods, services and works up to a ceiling of \$150,000 are undertaken directly by the Amman-based office through a special Delegation of Authority. For procurement of all international goods, services and works, the United Nations in Nairobi (UNON) reviews, authorizes, and monitors all contracting and financial transactions. Procurement of all services, which entail contracting of personnel are processed centrally at UN-HABITAT Headquarters. Without compromising 'best value for money' criteria, emphasis is placed on sourcing goods, works and services from within Iraq, where possible. This not only helps to contribute to local economic development and employment generation, but also to strengthen local supply capacity and enhance sustainability. Further, in appreciation of the leadership role of the Government of Iraq, serious consideration is given to views and preferences of the client Ministry, in the selection of goods and services.

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

Programme activities are monitored by the project manager and her staff through review and comment on project submissions and reports and participation in training events. Internal team meetings and preparation of progress reports are the key tools Progress on project activities is monitored internally through team meetings.

- Report on any assessments, evaluations or studies undertaken.

Training needs assessment of planning staff in the Ministry of Municipalities and Public Works. Evaluation reports are prepared for each training course held by the Government Organisation of Physical Planning (GOPP), Egypt.

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.

1.1 Two hundred and fifty planners from the Ministry of Municipalities and Public Works trained in the areas of urban planning and reconstruction, development control and local economic development planning.

30% Completed

An Agreement of Cooperation (AoC) was signed with the General Organisation of Physical Planning, Egypt and seven urban planners and economic development specialists from academia, consultancy practice recruited alongside senior focal point staff from MMPW and MOPD as trainers of trainers. The Kurdistan Regional Government opted to focus on training for planners and not disseminate the economic development training component.

A joint orientation workshop was scheduled in August with Egyptian planners and focal point staff in the MMPW and MoPDC, key academics and consultants. Difficulties in obtaining visas for the Iraqis limited attendance to Amman based staff. However, a training needs assessment tool was designed during the workshop and the tool piloted and completed by Ministry and Governorate level staff. Analysis of the findings and assessment of relevant practice was undertaken by GOPP during September.

The baseline study on GoI planners (including information on the number of planners, the location of their offices, the job responsibilities and training needs) was analysed and represented to a planning workshop held in October 2009. The training approach and potential focus areas were discussed against findings of the baseline study.

GOPP prepared and designed a 12 day Training of Trainers course.

1.2 Ministry planners effectively managing the preparation of master plans for Iraqi cities and towns.

5% Completed

A scoping exercise in Q1 2009 revealed that MMPW have commissioned preparation of over 22 City Master Plans in Iraq in 2008/9. Discussions are underway with the Ministry on a package of tailored technical support on management and implementation of the resulting plans. This will be defined in parallel with the identification of training gaps and materials.

2.1 A fully established Iraqi municipal association with a constitution, board of directors, budget and work plan.

7% Completed

UNHABITAT is supporting the Iraqi Local Government Association. On 31st July the agency attended the Transition Ceremony where a newly elected Provincial Council members took over leadership of the Committee. UNHABITAT presented potential areas of support, issues and good practice regarding the ongoing financial sustainability of the organisation. In September the ILGA obtained legal status under the Iraqi NGO Laws.

2.2 A municipal association policy statement regarding decentralization and local government reform.

3% Completed

A working committee of the ILGA will consider policy issues and prepare joint statements to the central government representing the local government position. The association is still finalizing its operational arrangements with USAID's support; UN-HABITAT continues to provide a supporting role on elements of decentralisation and local government reform.

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

See Above.

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

Constraints in working with new organizations such as the ILGA and lesson learned ; Three key events in 2009 illustrate marked progress of the Iraq Local Government Association towards sustainability. These include (i) the Transition Ceremony for the Iraqi Local Government Association held in June 2009 when committee members for the Association who had lost their seats in the elections stood down and representatives from each

Governorate elected a new Committee. The event went smoothly and UNHABITAT attended the formal proceedings alongside other donors (ii) Establishment of the ILGA as a legal entity under the NGO law and (iii) Agreeing a constitution and strategic plan for the organization. Despite this progress there has been variance in the achieved work of UNHABITAT versus planned outputs as regards its support of the Iraq Local Government Association. Progress has not been as anticipated in providing technical support to the organisation to formalise their set up and prepare policy papers related to decentralisation and local government reform. This is due to two reasons: USAID are supporting the ILGA through the Local Government Project. This project provides full time international technical advisers to the Association established in dedicated training premises at Korada, Baghdad where they can readily access local government staff. UNHABITAT have been in regular contact with the team via VTC, and prepared relevant papers and information to support their Transitional Ceremony and other events. However, it has not been possible to recruit a staff member to work alongside the LGP project or visit the compound to attend events. This has limited the effectiveness of our support. The second reason for progress in relation to this output being less advanced than anticipated is willingness and ability of the ILGA to engage in these issues. In 2009, the ILGA focus has been setting itself up and organising an operational Committee structure arms length from the USAID supported LGP project. While this process is ongoing, more fundamental discussions around the nature of decentralisation and local governance reform have been difficult to initiate.

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

UNHABITAT has key partnership with Ministry of Municipalities and Public Works, Ministry of Planning and Development Cooperation, the Kurdistan Ministry of Municipalities. For delivery of the programme, UNHABITAT is working with Government Organisation for Physical Planning, Egypt, Institute of Urban and Regional Planning at the University of Baghdad and the Iraq Local Government Association.

There have been positive impacts in terms of building up collaborative relationships between the MMPW and MoPDC and the Government Organisation for Physical Planning in Egypt. As a government body, with oversight and technical responsibility for land use planning and development control in Egypt, the department has experienced many of the same challenges Iraq is facing in terms of managing urban growth, defining a role for the private sector in housing construction and provision of planning services and decentralising planning management functions to lower levels of government.

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

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.

Delivery of training in Iraq to employees in the MMPW and staff in the MoPDC. Pilot to be undertaken in April, 2010 and main training delivery following review of pilot training programme. **US \$ 369,433**

Support on implementation for City Master Planning. Consultants have been recruited to review the City Master Planning process in Basra and prepare advice on implementation. **US \$ 150,000**

Building a sustainable learning mechanism to enhance the skills of planners, and support them in implementation of the city master plans through investigating options for on-going training and professionalization of planning staff through their Institute. **US \$ 100,000**

- Study on options for establishment of an Iraqi Planning Institute and the implementation. **US \$ 150,000**

Working with the Iraqi Local Government Association on service delivery, particularly in creating a forum for discussion of new local government responsibilities for service delivery. **US \$ 250,000**

Other activities to be covered under the Agreement of cooperation including international study visit for planners. **US \$ 200,000**

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

Major adjustment occurred in mid 2009 to output 3. A scoping exercise in Q1 2009 revealed that efforts to establish an Iraqi Municipal Association are already underway under the auspices of a USAID programme. A provincial level association has been established with a secretariat and an outline scope of work. It was considered more appropriate to work with other donors in building this organisation on a sustainable basis than consider establishing another organisation at the District level.

VI. Performance Indicators (optional)⁵

- 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.

VII. Abbreviations and Acronyms

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

MMPW: Ministry of Municipalities and Public Works

MoPDC: Ministry of Planning and Development Cooperation

ILGA: Iraqi Local Government Association

GOPP: General Organisation of Physical Planning

OMT: Operations Management Team Meetings

LGP: Local Government Project

⁵ E.g. for the UNDG Iraq Trust Fund and the MDG-F.