



United Nations Development Programme
United Nations Development Group Iraq Trust Fund



COMPLETION REPORT FOR PROJECT: STRENGTHENING THE CAPACITY OF THE HOUSING SECTOR IN IRAQ (E4-04)

Summary

Participating UN Organisation: UN-HABITAT and UN ESCWA	Cluster: Infrastructure Rehabilitation
Project No. and Project Title: E4-04: Strengthening the Capacity of the Housing Sector in Iraq	Project Location/Region/Province: Nation wide
Reporting Period: July 2004 – December 2006	Report Number: 4
Partner organisations / implementing partners: Ministry of Construction and Housing Ministry of Municipalities & Public Works Ministry of Planning and Development Cooperation Amanat Baghdad Central Office for Statistics and Information Technology (COSIT) UN Economic and Social Commission for West Asia	Project cost: \$5,965,638
Abbreviations and acronyms: MoCH - Ministry of Construction and Housing MMPW - Ministry of Municipalities and Public Works WB – The World Bank ESCWA - Economic and Social Commission for West Asia UNDP - United Nations Development Programme GoI – Government of Iraq EDP – Electronic Data Processing IDPs – Internally Displaced Persons	Project Duration: Original duration: July 2004 – July 2005 Approved Extension to 31 December 2006 Overall time frame: 29 months

I. Purpose

Main objectives and outcomes expected as per approved Project/Programme/project document:

The project responded to the need for strengthening of the housing and urban development sectors to enable improved access to 'quality' housing to all sections of the Iraqi population and particularly the poor and other vulnerable groups. The purpose was also to address chronic problems of sub-standard housing which affect the urban poor, the disadvantaged, IDPs and (now) returning refugees, which have steadily worsened over the past 15 years and are now considered to have reached crisis dimensions.

To that end the project aimed to improve the policy & legal environment; build adequate institutional capacity within the Ministries of Construction & Housing and Municipalities & Public Works and other public institutions; and encourage a shift from managing housing construction to playing an enabling role in the provision of land, services, technologies and finance for an expanded housing delivery system. Consequently the emphasis of the project was in developing appropriate tools & techniques, creating effective partnerships and generating relevant information and analyses to guide this transition.

The Project had four interrelated objectives. These were to:

- Build the capacity of the Ministry of Construction and Housing, the Ministry of Municipalities and Public Works and the Regional and Local Authorities to manage the housing sector as an instrument to meet the immediate and long term housing needs of Iraqis;
- Strengthen the role of civil society in the housing sector by enhancing the capacity of NGOs, Women's Groups and Community Based Organizations in managing housing delivery, self-help housing programmes and housing finance systems;
- Complete preparatory activities for the establishment of a housing fund for vulnerable families;
- Lay the groundwork for the revision of the policy and institutional framework for the housing sector

The project worked to deliver the following main outputs:

- 350 person-weeks of training for about 120 key staff of the Ministries of Construction & Housing and the Ministry of Municipalities and Public Works focusing on best International practices in the management of the housing sector;
- Advisory services in housing sector management to the two Ministries, where required and requested;
- Training to about 54 Community Based Organizations, Women's groups and NGOs in housing delivery, housing finance and self-help housing schemes to facilitate a stronger role for civil Society in the housing sector;
- Approximately \$1.7 million in equipment, software and related training as part of the programme to enhance the capacity of the Ministries, Community Based Organizations and Women Groups;
- A database for the Ministry of Construction & Housing on housing needs by region and socio-economic groups, including the specific housing needs of vulnerable groups for five priority areas (through a pilot housing market survey);
- A database of community organizations, NGOs, and Women's Groups involved in or interested in becoming involved in housing delivery or housing finance programmes;
- A strategic plan for a housing finance system including approaches for the establishment of a housing fund for vulnerable groups;
- A set of recommendations for a revised policy and institutional framework for the housing sector and a Slum Upgrading Strategy.

Reference to how the programme/project related to the UN Assistance Strategy to Iraq and how it aimed to support Iraq national development goals and the Millennium Development Goals :

This project primarily related to the third objective of UN Assistance Strategy to Iraq 2004-05 i.e. **strengthening institutional and governance capacities and human security** within the country; through the creation of an improved policy, legal and institutional capacity across all actors (state, private sector and community groups) for the provision of housing.

The project worked to support GoI commitments towards the **Millennium Development Goal 7 Target 11** (for which UN HABITAT is the lead implementing agency and global focal point) through ensuring that a slum upgrading strategy is developed to improve the living conditions of the most deprived and poor groups by ensuring their accessibility to improved shelter conditions and associated services. UN-HABITAT also implements two Global Campaigns on 'Secure Tenure', and 'Good Urban Governance' that promote the principles inherent in the primary goals of the Habitat Agenda. Additionally, UN-HABITAT through its ongoing programmes, implements operational activities at country and city levels upon request from Governments, develops guidelines and tools, and organizes training workshops in all regions of the world. Finally, as the global agency focusing on sustainable urbanisation policies, UN-HABITAT organizes biennially the World Urban Forum, where all stakeholders of the shelter and urban sector meet and develop a collective knowledge on human settlements.

The Project contributed to the following UN Millennium Development Goals (MDG):

Goal 2. The promotion of gender equality and the empowerment of women.

Goal 7. Ensure environmental sustainability

Further, the project was also aligned to the priorities and objectives of the new **Iraq National Development Strategy** of improving the quality of life through institutional strengthening for increased affordable housing units, availing adequate sector knowledge for proper decision making, provision of basic services, and the promotion of private sector led implementation of local community projects.

Project Management Arrangements

UN-HABITAT's technical assistance and capacity building in the housing sector in Iraq included training and advisory services, support to consultations and workshops, and specialized research and studies. The implementation of these activities was underpinned by the following principles:

- Full agreement of the GOI partners;
- Maximum use of Iraq professionals and institutions if available with sufficient technical expertise and consulting experience;
- Maximum use of Arabic-speaking international consultants;
- Emphasis on best practices in the Middle East, which have a potentially higher contextual relevance for Iraq;
- Seeking opportunities to create or strengthen "in country" capability for capacity building and advisory services in the medium and longer terms; and
- Overall cost effectiveness.

The Amman based UN-HABITAT team was responsible for overall project management. UN-HABITAT's field offices within Iraq were involved in local liaison, logistical support, identification, management and supervision of local resources and technical personnel. The Regional and Technical Cooperation Division (RTCD) through its office for Iraq has been technically backstopping and coordinating the Programme as well as managing the recruitment of short and long-term staff and consultants (both national and international) for the programme implementation.

The Ministries of Construction & Housing and Municipalities & Public Works were actively involved in programme development and implementation of all project outputs. The close cooperation has had direct impact on knowledge transfer, changing attitude and maximizing the impact of capacity building

on understanding how to improve sector performance. This led to several measures undertaken by the Ministries that contributed to the achievement of the project outcomes. These are outlined later.

Capacity building activities delivery management depended on the following approaches to ensure effectiveness, speed and good results:

- Outsourcing training on turnkey basis to reputable service providers, with responsibility for organization and logistics resting with the service provider;
- Outsourcing training to institutions or other UN organizations that deliver specialized courses, and are open to customizing them in line with Iraqi and Un-HABITAT needs assessment, and terms of reference. (e.g ESCWA has provided Management skills training for the building construction sector)
- Using Iraqi institutions to deliver training based on technical assistance from other reputed international agencies. UN-HABITAT sponsors trainers from the Iraqi institutions to undergo further specialized training (e.g. Trainers from Baghdad Technical College were provided specialised training by an Amman-based agency, and are now successfully delivering GIS training in Baghdad)
- Using "off the shelf" training packages from reputable institutions. UN-HABITAT is continuously taking stock of such packages. If these are relevant, of high quality and cost effective, Iraqi participants are sponsored for such courses (e.g. EMEND for construction Project Management; IHSI Netherlands for Land Management and Informal Settlements Regularization)
- Developing training "in house" and with support from specialist consultants. UN-HABITAT carries out all organizational arrangements directly (e.g. Training on Strategic and Action Planning)

Technical Assistance was mostly provided through twining international consultants – preferably of Iraqi origin – with teams of local Iraqi consultants. There is a severe shortage of Iraqi consultants to support work in the housing and urban sectors, as they lack relevant experience and education. On the other hand, international consultants are not available to travel to Iraq. They did however supervise the fieldwork carried out by Iraqi consultants. Frequent meetings were organized between them to ensure quality control and reduce transmission losses. This helped to strengthen the capacity of local Iraqi professionals, exposing them to international expertise, best practices, tools and techniques. In the second phase such arrangements will help to further reduce dependency on international resources.

Specifications and quantities of EDP equipment were defined with the partners, procured following international competitive bidding processes. Agreements with the partners were established to ensure the safe receiving of the equipment at Baghdad Airport, and their subsequent installation and operation at the client Ministries and Amanat Baghdad.

A major monitoring role was given to the Iraq National Human Settlements Committee (an inter ministerial policy advisory group), to monitor progress in implementation. Partners have been in active dialogue and consultations with the agency experts during the entire course of implementation. The agency international staff have taken an active role in shaping, developing and implementing training and in the development of policy frameworks.

Being a capacity building programme, an end of project impact assessment covering a 35% sample of former trainees and their respective supervisors revealed that while there had been noticeable improvement in staff performance, there is substantial need for further capacity building and institutional reform to effectively lock in the gains from the first phase of the project.

UN-HABITAT implemented the project with full information on prevailing prices of goods and services. Procurement systems are well established as both efficient and cost effective, and this included among other things, the use of tenders and bidding processes for specific services to maintain cost competitiveness.

All project activities were continuously technically and financially monitored at HQ by the Administration and Procurement departments.

UN-HABITAT has systems in place for project monitoring and quality control which are set out in the "Procurement Manual for the Iraq Programme" which was specially developed in March, 2005 with the assistance of procurement specialists of the United Nations Office in Nairobi (UNON).

All field staff, consultants and administrative staff were trained in the use of the Procurement Manual. UN-HABITAT staff in Nairobi, as well as UNON reviewed, authorised and monitored all financial transactions of the project undertaken in Amman. In addition, periodic monitoring missions were undertaken from the UN-HABITAT HQ to review the project management system including the financial management and control systems.

The project used a system of concurrent monitoring to assess progress against the work-plan and log-frame outputs. A training impact assessment and a training needs assessment were conducted and it generated indicators against which the efficacy of training and capacity building activities were assessed.

II. Resources

Total approved budget and summary of resources used for the programme/project from the UNDG Iraq Trust Fund (and non-Trust Fund resources where applicable):

UNDG ITF funds received.

The revision of the budget lines with zero additional costs for the project inputs (project personnel, surveys, consultants, training, equipment and indirect costs) was carried out to meet the additional requirements of staff time and related costs, which were due to the unintended delays in project implementation. Some of the revision was also on account of change in project scope, as a result of emerging priorities.

The project was implemented with the approved budget (\$5,965,638 million US dollars)

Budget			
Budget Items/Year	Approved Budget	Approved revised Budget	Justifications/ Remarks
Personnel and consultants	1,187,960	1,456,818	The availability of partner Ministry staff for some of the activities envisaged to be undertaken by UN HABITAT local staff resulted in the decrease of budgetary requirements on this account. During the course of this project, the key decision makers/interlocutors in the Ministry (Minister, Deputy Minister and Head of Housing Commission) were changed thrice. As with any engagement involving policy dialogue, this had a disruptive impact on project implementation and the assignment of International Technical Assistance (Staff) needed to be extended. Further, the need expressed by the partner Ministry for additional training called for a significant increase in international

			<p>staff time, with exposure to international experiences in areas such as Housing Finance, Institutional and Capacity Development, Housing Policy and Strategy Formulation based on partnerships being required alongside training and policy workshops. As with local staff the project benefited considerably from the availability of Ministry personnel (who were trained by the project, i.e. Slum Upgrading task force, Habitat Committee, GIS department staff, Housing Commission staff, etc.) and hence the reduced budgetary requirement for National Consultants. Most of the specialist inputs were provided by UN HABITAT International Staff.</p>
Sub-Contracts	2,316,000	2,019,532	<p>As mentioned in the previous section, some of the specialist inputs that were envisaged through sub contracting of institutional consultants were provided by UN HABITAT International staff, requiring a minor reduction in the budget. (Training workshops, Consultations and Policy Workshops were prepared and implemented by HABITAT in house capacity resulting in reducing this budget line and increasing Int. staff budget and training budget lines)</p>
Training, workshops and stakeholder meetings	1,073,000	1,550,030	<p>More training events were provided than originally proposed.</p> <p>As mentioned previously, during the course of this project, the key decision makers/interlocutors in the Ministry (Minister, Deputy Minister and Head of Housing Commission) were changed thrice, making it imperative to repeat (for new comers) training and orientation programmes on a variety of areas of policy and strategic importance (such as new approaches to housing, housing policy and strategy development, using new tools and techniques for information analysis with GIS and improving their abilities for strategic planning and extending finance to the poor). Further, the partner Ministry identified not only new areas of training but requested a larger number of personnel to be included under the capacity building events. This too called for a significant increase in international</p>

			staff time, with exposure to international experiences in areas such as Housing Finance, Institutional and Capacity Development, Housing Policy and Strategy Formulation based on partnerships being required alongside training and policy workshops. Training expenses were also higher than originally estimated because of additional participants. Further, most of the events had to be located outside of Iraq because of the aggravating security situation.
Equipment	178,000	13,736	UN HABITAT benefited from the use of its existing and left over equipment from the OFFP which were still in good condition. The unutilized amounts came handy for financing the additional training and staff costs.
Supplies and commodities	30,000	18,500	See above.
Transport	210,000	0	UN-HABITAT core resources and transportation were used.
Travel	284,000	373,658	Security situation in Amman following the November incidents required relocating training workshops in other countries. Thus additional resources were required.
Total Project Budget	5,278,960	5,432,274	
Miscellaneous	257,000	103,686	Funds in this budget line are used to support training and consultations.
Security	92,000	92,000	Remained the same
Agency Support Costs (6%)	337,678	337,678	6% agency management fee on original budget remains unchanged.
Grand Total	5,965,638	5,965,638	

Human Resources

The project had two international staff and six national staff all were shared with other projects/programme activities according to the following percentage:

International staff: 90% of one staff and 70% of another staff.

About 30% of national staff time was dedicated to this project.

Project Assets

The project purchased computers, printers, software, furniture and photocopiers all of which will be utilized in the second phase of the project. Once completed all assets will be handed over to the Iraqi partners as has been previous practice. For details refer to Annex 2.

III. Results

An assessment of the extent to which the programme/project component / programme /project has achieved the outcomes and outputs expected

The project "Strengthening the Capacity of the Housing Sector- Phase I" helped considerably to get the housing sector onto the Iraq's national development agenda. It undertook a massive programme of capacity building and policy dialogue. 25 training workshops and 3 study tours were implemented, some 250 persons received a total of 360 person weeks of training and \$ 1.131 million worth of EDP equipment has been handed over to the Ministry of Construction & Housing (MoCH), Ministry of Municipalities and Public Works (MoMPW) and Amanat Baghdad. In addition, the project completed a comprehensive collection of critical baseline data to inform the housing and housing finance sectors (Housing Market Study). A slum upgrading strategy was developed, and an inter-ministerial Slum Upgrading Task Force was constituted. The Iraq National Human Settlements Committee (National Habitat Committee) was reactivated. An Action Plan for preparing enabling housing policies and strategies to be implemented in the second phase of the project was developed jointly with the Ministry of Construction & Housing and several other key stakeholders.

The project partially addressed existing capacity gaps among government officials, private sector and CBOs to collect base line information, devise mechanisms and make recommendations to enable, encourage their enhanced and more effective participation in increased housing production. At the same time, as of now the value of participatory approaches is yet to be adequately appreciated, particularly among MoCH personnel.

A number of: a) eye opening training workshops for senior level managers and executive staff; b) policy consultations; and c) study tours for decision makers to equip them on techniques to address housing sector problems were organised. Policy consultations were a vehicle for including other actors such as the private sector and civil society to actively participate in recommending and contributing to reform actions. In addition, the information gap was bridged by a comprehensive housing market study that utilized different surveying, consultative and interviewing methods. This in turn, led to detailed needs identification for six representative cities and complete a detailed housing sector problem analysis. A set of recommendations for reforming the sector and for developing enabling housing strategies emerged as a result. In addition, several rounds of policy dialogue and consultations helped to formulate a set of guidelines for restructuring the Housing Fund. To sustain a national focus on slum upgrading, a Slum Upgrading Task Force was established and supported. Similarly, to expand the platform for policy dialogue and deliberations, the Iraq National Human Settlements Committee (with representatives from the Ministry of Construction & Housing, Ministry of Municipalities & Public Works, Amanat Baghdad, Ministry of Planning & Development Cooperation, Ministry of Foreign Affairs) was reactivated and made more representative.

The project has actively contributed towards some of the targets identified in the UN Assistance Strategy and National Development goals, such as in improving capacities and addressing institutional gaps in the Housing sector, while providing adequate knowledge about housing sector problems and production needs. For overall achievements please refer to the log frame results matrix attached in Annex one.

Main activities undertaken and achievements/ impacts:

- 1- Training of approximately 350 person-weeks of training for about 120 key staff - Not only more than the originally planned training was provided upon the request of the Ministry, substantial part of the training was based on the assessment of needs.

- 2- Supply of equipment, software - The originally planned equipment was supplied, however, at

a significantly lower cost following price negotiations.

- 3- Training to about 54 Community Based Organizations, Women's groups and NGOs in housing delivery - This output could only be partially met, due to the lack of adequate numbers of NGOs in the sector. Substituted by training of additional Ministry Staff.
- 4- Development of a database on community organizations, NGOs and Women Groups that are involved in or interested in playing a role in the housing sector - A list of available/active NGOs in the sector was collated. However, no further updating could be carried out because of the security situation.
- 5- Preparing a strategic plan for a housing finance including a formulated project to launch a housing fund for vulnerable groups - Although the Housing Fund was already established, it became amply clear at quite an early stage of project implementation that any effective achievement in development of an Housing Finance market in Iraq would require a longer term programme coterminous with the wider reforms of the wider financial markets. However, under the project, guidelines were developed for the Ministry to strengthen the Housing Fund as an interim measure. UN HABITAT also continued dialogue with other key sector players such as the World Bank and the International Finance Corporation towards this end.
- 6- Delivering a set of recommendations for a revised policy and institutional framework for the housing sector - Frequent changes of key decision and policy makers severely affected progress. In December 2006, following the completion of the Housing Market Survey, recommendations were formulated and agreed through wide stakeholder consultations. An Action Plan for its implementation was also agreed and this is being taken forward in the second phase of the project.
- 7- Providing 36 person-months of international technical assistance - Nearly 52 person-months of international technical advisory services have been provided. This related primarily to the following areas: a) Strengthening of the National Habitat Committee; b) Formulation of the Housing Investment Law; c) Strengthening the disbursement performance of the Housing Fund; d) Preparation of the Slum Upgrading Strategy and formulation of pilot projects; e) Assisting in Housing Needs Assessment and preparation of training and capacity building activities and consultations for developing Housing Sector Reforms Action Plan; and f) Detailed Training Needs Assessment, Training Impact Assessment and preparation of an Institutional Development Plan for a Knowledge and Training Centre at the MoCH.
- 8- A database for the Ministry of Construction & Housing on housing needs by region and socio-economic groups, including the specific housing needs of vulnerable groups for five priority areas - Because of changes within the Government and aggravating security situation, this output was initially delayed but was completely achieved in December 2006. Housing needs were defined for six cities and not five, as was originally proposed.

Implementation constraints, lessons learned from addressing these and knowledge gained from assessments, evaluations and studies that have taken place during the project:

Implementation Constraints

Key implementation constraints were as follows:

- It was very difficult to find suitably qualified Iraqi consultants;
- Trainees were constantly changed making it difficult to develop a ministerial cadre of well rounded professionals;
- Training activities had to be carried out outside of Iraq because of security concerns;
- During the course of the project Ministers changed thrice. This in turn resulted in further

changes in the top bureaucracy and disruption in policy dialogue.

Lessons learnt and knowledge gained

Effective timing of interventions, consultative planning, and collaboration among UN-Agencies (ESCWA, UNHCR and UN-HABITAT) and Gol partners helped to take advantage of different agency mandates and expertise in achieving project objectives.

The following specific lessons learnt are relevant:

- Land management, allocation and servicing presents great challenge to housing delivery in Iraq. Legal and institutional reform in land management is therefore critical to ensure any improvement in the housing sector, and this in turn cannot be isolated from the need to regularly update city development plans and resolve boundary conflicts;
- Current Housing Institutions are highly centralized and dominated by classical engineers with limited market orientation and minimal understanding of housing sector reforms. This required serious attention from the project, which engaged them in discussion leading to a better and consistent understanding of key sector challenges, such as the obstacles to private sector active participation in housing delivery.
- Lack of reliable statistics and the delay in the census poses critical problem for taking any well informed policy decision that more and more relies on rapid surveys or study that doesn't provide a whole complete national picture, this urges the establishment of an efficient information system for housing and urban development. The housing market study will present a comprehensive assessment of the current situation and will form a base for housing information system establishment.
- There is a need to reform the building and construction sector research, quality assurance and legal framework to enable more investment in this sector

Studies

A comprehensive housing market study which took into account UNHCR surveys and consultations helped produce for the first time a series of national housing and household data on shelter related issues. This information set formed the basis of numerous discussions and led to the formulation of a two year Action Plan on reforms. The second phase of this project is designed to support implementation of this Action Plan.

The second phase will also lay the foundation for sustainable capacity building through supporting the creation of the in-house Training and Knowledge Centre. Unfortunately due to the limitation of available resources the second phase is partially funded with only \$2.385 million. It is important to secure adequate funding to support the entire planned second phase of this project.

Key partnerships and inter-agency collaboration, impact on results:

UN-HABITAT has partnered with ESCWA in implementing project activities particularly in improving management skills in the construction sector. Continuous dialogue and participation of MoCH Staff in housing surveys helped to strengthen the sense of ownership and a higher willingness to change. It also contributed to re-activating the Iraq National Human Settlements Committee and establishing a Slum Upgrading Task Force. Continuous dialogue with the IFC and World Bank has resulted in their active participation in the project activities and also in cost sharing of a workshop on Housing Policy Directions. IFC has since expressed interest in co-financing a pilot to encourage private sector housing development by assessing and addressing impediments to property registration, land allocation and effective private sector participation in housing delivery.

Highlights and cross cutting issues pertinent to the results e.g. gender disaggregation, policy engagement and participation of the public:

The project has addressed the needs of Vulnerable groups including IDPs as follows:

- **Support towards Development of Inclusive Policies & Strategies:** Training and consultations for setting recommendations for policy development highlighted the housing needs of those groups and measures on addressing such problems within future housing policy, strategy and programmes development were deliberated and agreed; and
- **Generating Information on Shelter Needs of Vulnerable Groups:** The housing market study also pointed out the needs of those groups in term of access to property rights and resolving property disputes, access to safe water and sanitation, access to serviced land and affordable finance.

The project being focussed on capacity building for an enabling and participatory approach to housing development worked to maximise equal representation of all stakeholders (Private sector, Syndicates, NGOs, Government, Municipalities and Women's Groups) across all its activities such as training workshops, policy consultations and dialogues, thematic debates and in the formulation of recommendations for reforms. It is now widely accepted that women's needs have to be addressed specifically in all sector policies and strategies.

The implementation of the project could not remain immune to the changing political and security situation. During the course of the project, the Minister as well as the main direct partners (Deputy Minister and Head of Housing Commission) changed thrice. As with any engagement involving policy dialogue, this had a disruptive impact on project implementation and the assignment of International Technical Assistance (Staff) needed to be extended. It also had an impact on the budget for training and consultation activities, as orientation programmes and exposure visits for changed Ministry staff (Senior officials, Managers and staff) had to be repeated. Further, the aggravating security situation also resulted in several members of GoI staff and consultants fleeing the country, further depleting already limited local resource base.

IV. Follow up actions and sustainability

Priority actions that should be supported/implemented following completion of project to build on achievements and partnerships rectify shortcomings encountered and use the lessons learned during the project with strong emphasis on achieving sustainability of the outcomes:

This project was the first phase of a longer term engagement to reform and strengthen the Iraqi Housing sector. The engagement will need to continued not only to lock in project gains but also provide further capacity building and technical assistance for institutional strengthening to allow for:

- A functional and accountable land and property tenure system;
- Accelerated shelter upgrading and new construction;
- Stimulating the private housing market;
- Timely and effective planning and delivery of infrastructure and basic services;
- Availability of affordable housing finance.

The first phase activities helped to reorient policy makers on the need for a shift in the role of the state from Provider to Enabler. It is now clear to and accepted by most of the sector stakeholders that the Iraqi government should incrementally withdraw from direct provision to "enable" shelter development by others within a supportive legal, financial and regulatory framework. The basic aim is mobilisation and utilisation of the full potential and capacity of all the actors in the public, private, and community sectors, enabling them to assume an effective role at the national, state, provincial, metropolitan and local levels in terms of human settlements policy and shelter development.

A second phase of this project has since commenced and although not fully funded will enable uninterrupted sector engagement up to a point. Further resources would however be required to make the Training & Knowledge Centre fully functional and eventually 'self financing'; and also for implementing pilot projects which will not only provide 'on the job' exposure and capacity building for new approaches but also help better identify key policy, institutional and legislative gaps.

Another recently approved project on 'Improving IDP Access to Housing' is expected to provide innovative approaches for decentralized housing delivery and inform strategy development especially for displaced communities. Similarly, a Slum Upgrading project proposal within the erstwhile Cluster C, if funded and implemented will enable sustained dialogue on Slum Upgrading and provide replicable approaches for tackling the problem of urban slums.

Indication of major adjustments in the strategies, targets or key outcomes and outputs:

The project outputs were achieved completely except for the Housing Finance Strategic Plan which at e.o.p stood at 60%. Realizing that it was premature to further pursue the latter, the related logframe output was revised. The project instead produced guidelines with specific actions for GOI to undertake with some additional technical assistance. UN-HABITAT and all parties concerned with Housing Finance in Iraq including the World Bank have concluded that while efforts need to be initiated now, for Housing Finance to take off effectively will not only need a much longer time frame but wider reforms of the financial markets in general. Therefore in the interim UN-HABITAT instead has provided limited technical assistance to improve the performance of the existing Iraq Housing Fund in terms of better targeting and faster disbursements. Almost 10,000 loans were disbursed during the duration of the project. More support is being proposed through a potential collaboration between the World Bank, IFC and UN HABITAT.

It was difficult to find NGOs who are willing to take active role in Housing development. NGOs that have shown interest in providing support to Housing sector related activities (surveys, self-help

development) are few. The Ministry of Construction & Housing is also, until date, not fully on board with the idea of enhanced NGO involvement in the sector. However, the project did involve a few NGOs in training on self-help activities and community management for housing activities. The database was completed but with less number of CBOs than originally planned.

Estimated Budget required:

The approved second phase of the Strengthening the Capacity of the Housing sector was originally budgeted for \$ 5.6 million. Due to limited available funds within cluster E, the project objectives and outputs was divided into two parts. Additional required funding is \$ 3.2 million.

Annex 1 Key Performance Indicators – Log Frame Matrix

Immediate Objectives (Please refer to the approved project doc.)	Out puts	Completed Activities	Measurable indicator/ Means of verification	Achievements	Justification for delays/ deviation from planning
<p>1. Build the capacity of the Ministry of Construction & Housing, the Ministry of Municipalities and Public Works and the Regional and Local Authorities to manage the housing sector as an instrument to meet the immediate and long term housing needs of Iraqis. Develop an appropriate institutional framework for the housing sector in Iraq.</p>	<p>1. Approximately 350 person-weeks of training for about 120 key staff of the Ministries of Construction & Housing and the Ministry of Municipalities and Public Works focusing on best international practices in the management of the housing sector.</p> <p>2. Approximately \$1.7million in equipment, software and related training supplied to the public and private and sectors to enhance their capacity to manage and deliver expanded housing services.</p>	<p>1. Housing Symposium brought project stakeholders together and formulated a plan of action for the project.</p> <p>2. Workshops and stakeholder meetings identified capacity building needs, reviewed draft documentation, prepared project implementation plans and endorsed proposals prepared by project team.</p> <p>3. 40 training events comprising workshops, specialized training at international housing institutes, study tours, and attachments to public sector housing institutions where best practices are followed were implemented.</p> <p>4. The project procured equipment and software for MOCH, MMPW and Amanat Baghdad worth \$1.3 mill. to support the functions of housing related departments.</p>	<p>Management effectiveness of the housing sector improved through upgraded human and organizational capacity of key housing sector institutions</p> <p>Training impact assessment conducted at the end of project.</p> <p>Trained staff on tools and techniques for planning and managing slum upgrading. Supported the establishment of the first Slum Upgrading Task Force in Iraq for assessing slum situation and formulating proposals for upgrading.</p>	<p>More than 450 person-weeks of training were provided for more than 250 staff. Eight training courses and two policy workshops were implemented in Baghdad.</p> <p>In qualitative terms, the capacity of staff to plan and manage housing sector activities and become involved in housing sector reform initiatives was improved.</p> <p>To build on lessons learnt from the eye opening training and policy orientation workshops. The training and institutional needs assessment provided information and data necessary for the establishment of a sustainable training centre at the Ministry to ensure sustainability of training efforts</p> <p>The Slum Upgrading Strategy along with detailed information on slums have set the stage for GoI to use its own budgetary resources effectively for embarking on pilot slum upgrading projects.</p>	<p>The implementation of several planned project activities was delayed due to changes in Ministers, delays in the nomination of training participants and the aggravating security situation.</p>

		<p>5. Detailed slum surveys were carried out and a slum upgrading strategy was prepared, which has now been adopted by the GoI who have also made budgetary provisions for slum upgrading in six cities, with UN HABITAT as Technical Adviser. An inter-ministerial Slum Upgrading Task Force has been established.</p> <p>5. A training impact assessment and training and institutional needs assessment was completed and this serves as the basis for the establishment of a Training & Knowledge Centre at the Ministry.</p> <p>5. Communication bases were set up in Basra, Najaf and Erbil and local experts equipped with necessary facilities are actively supporting MOCH and MMPW.</p>			
<p>2. Strengthen the role of civil society in the housing sector by enhancing the capacity of NGOs, Women's Groups and Community Based Organizations in managing housing delivery, self-help</p>	<p>1. Training to about 54 Community Based Organizations, Women's groups and NGOs in housing delivery, housing finance and self-help housing schemes to facilitate a stronger role</p>	<p>1. Workshops and stakeholder meetings to identify capacity building needs, review draft documentation, prepare project implementation plans and endorse proposals prepared by project team .</p>	<p>At least three NGOs/CBOs or Women Organizations playing an active role in self-help housing programmes or housing finance schemes in each Governorate</p>	<p>Due to the security situation and the existing mindset at the Ministry of Housing only 10 NGOs were trained on self help and community management activities. Three of them are active in housing rehabilitation schemes. A data base of NGOs was</p>	<p>In addition to constraints levied by the prevailing security situation, the existing mindset at MoCH did not permit the active involvement of more NGOs.</p>

housing programmes and housing finance system.	for civil Society in the housing sector 2. A database on community organizations, NGOs and Women Groups that are involved in or interested in playing a role in the housing sector.	2. Two training programmes; one on self-help housing and another on community planning and management were completed.		prepared and shared with MoCH.	
3. Complete preparatory activities for the establishment of a housing fund for vulnerable groups	1. A strategic plan for a housing fund including a pilot project to launch a housing fund for vulnerable groups.	1. Setting up of a team of Iraqi and International Experts to prepare a strategic plan for housing finance, including a pilot project to launch a housing fund for vulnerable groups. 2. Training Programme comprising workshops, specialized training at international housing institutes, study tours, and attachments to public sector housing institutions where best practices are followed.	An institutional and operational system in place for a housing fund to deliver assistance to at least 30,000 vulnerable families (200,000 people).	A team of National and International consultants advised the Ministry on operationalizing the Housing Fund of the Ministry. A guideline for housing finance in Iraq was prepared. Training workshops, consultation meetings and study tours were carried out to provide exposure to international practices in housing finance. More than 10,000 loans were disbursed to government employees as first phase.	The housing fund has dispensed 10,000 loans so far. The delays encountered in dispensing loans and reduced number of loans have been due to the lack of operational and management capacity among staff . The nature and scope of this problem and how best to resolve it was examined through the Housing Market Study. Guidelines to restructure the fund are being developed in the second phase of the project.
4. Lay the groundwork for the revision of the policy and institutional framework for the housing sector	1. Recommendations for a revised policy and institutional framework for the housing sector. 2. A database for the Ministry of Housing and Construction on housing	1. Setting up of a team of Iraqi and International Experts to review options and formulate new housing policies and a new legal framework 2. A Housing Market	Policy and institutional reform matrix prepared with recommendations for short, medium and long term legal and institutional reforms.	A training workshop on enabling policies and strategies followed by two policy workshops led to the development of an Action Plan. This Action Plan provides the starting point for preparations for the upcoming Donor Compact.	

	<p>needs by region and socio-economic groups, including the specific housing needs of vulnerable groups for five priority areas.</p> <p>2. Thirty-six (36) person-months of resident advisory services in housing sector management to the two Ministries.</p>	<p>Study is being finalized by November 2006 to quantify housing needs, affordability parameters, demand for housing finance by region and socio-economic group and potential Community Organizations and NGOs to be involved in housing finance schemes in five priority areas.</p>		<p>A Housing Market Study has been produced that includes four reports based on household surveys and interviews with key stakeholders. The study identified the bottlenecks in the sector and provided recommendations for further actions and improvements.</p> <p>A policy reform matrix was developed identifying housing sector issues and challenges and linked to them, short and medium term guidelines for enabling housing sector reforms. This is guiding the housing policy formulation process under the second phase project while substantively assisting the MoCH in fulfilling their ICI commitments.</p>	
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Annex 2 PROJECT COSTS

CATEGORY	UNDG ITF approved budget	Actual COST	Percentage of Approved	Budget Revision approved (give date)	Percentage of revision
1. Personnel · including staff and consultants	1,187,960	1,307,983.17	10.10	1,456,818	-10.22
2. Contracts · including companies, professional services, grants	2,316,000	2,095,032.20	-9.54	2,019,532	3.74
3. Training	1,073,000	1,616,138.40	50.62	1,550,030	4.26
4. Transport	210,000	0	-100.00	0	0.00
5. Supplies and commodities	30,000	20,151.18	-32.83	18,500	8.93
6. Equipment	178,000	14,848.80	-91.66	13,736	8.10
7. Travel	284,000	369,285.77	30.03	373,658	-1.17
8. Security	92,000	92,000.00	0.00	92,000	0.00
9. Miscellaneous	257,000	112,528.09	-56.21	103,686	8.53
10. Agency Management Support	337,678	337,778.11	0.03	337,678	0.03
Total Expenditure	5,965,638	5,965,745.72		5,965,638	

Budget was revised on 14 Feb. 2007

Annex 3 List of contract awards by procurement method

- Egypt for Management & Engineering Development (EMEND)
- Institute for Housing and Urban Development Studies (IHS)
- Interdisciplinary Research Consultants (IdRC)
- PADCO
- International Institute for Geo-Information Science and Earth Observation (ITC)
- Jordan Urban Management Society (JUMS)
- Chemonics Egypt
- University of Darmstadt
- UN-ESCWA
- Baghdad Technical College



Community Self-Help Initiatives in Housing Projects Workshop, Tunis 25 – 30 March 2006



Urban Planning and Environmental Considerations Training workshop, Amman – Jordan, 4 - 9 July, 2005



**Action Plan for Housing Policies and Strategies in IRAQ Meeting
Amman – Jordan, 11 – 12 May 2006**



**Housing and Urban Services Maintenance Workshop, Sharm El-Sheikh – Egypt
20 – 24 November 2005**



Iraqi Minister of Housing and delegation visiting low income housing in Six October city and private residential development during the Study Tour on Public Private Partnership in Planning and Implementing Housing Projects, Cairo - Egypt 14 – 20 December 2005

