



**2009 Annual (Tenth) Progress Report on Activities Implemented  
Under the United Nations Development Group Iraq Trust Fund  
(UNDG ITF) of the International Reconstruction Fund Facility for  
Iraq (IRFFI)**

**Housing and Shelter Sector Report**

Multi-Donor Trust Fund Office  
Bureau of Management  
United Nations Development Programme  
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## 1.1 Housing and Shelter

### 1.1.1 Sector Outcomes and Outputs

<b><i>Housing and Shelter</i></b>	
<b><i>Outcome 1</i></b>	<b><i>Improved housing delivery system</i></b>
Output 1.1	Draft national housing policy framework aligned with international standards
Output 1.2	Government-led pilot housing strategies formulated
Output 1.3	Pilot slum improvement schemes developed in Erbil, Hilla and Najaf
Output 1.4	Simplified, easily and equitably accessible pro-poor housing and shelter loan disbursement models developed and operationalized
Output 1.5	Improved training capacities within the Ministry of Construction and Housing on land management and housing delivery; training delivered on a regular basis
<b><i>Outcome 2</i></b>	<b><i>Reduced number of people living without adequate shelter in the most vulnerable areas</i></b>
Output 2.1	Immediate shelter needs (and household support) of displaced and other vulnerable groups met through a highly targeted and integrated approach to improvement in shelter conditions
Output 2.2	Protection mechanisms related to property rights and security of tenure strengthened
Output 2.3	Process for recovery and provision of durable solutions initiated

### 1.1.2 Operating Context During Reporting Period

Although Iraq has not experienced major crises of a humanitarian or security nature in 2009, millions of Iraqis remain extremely vulnerable due to the combined effect of pre-2003 state policies and international sanctions, as well as the recent conflict and related displacement, collapse of public services and neglect. While there have been visible improvements in some areas where returns of Internal Displaced People (IDP) have occurred, geographical areas of high vulnerability remain. These include areas in northern and north-western Iraq, large swathes of southern Iraq, and districts in central Iraq that were affected by violence in previous years. Despite these concerns, humanitarian actors now have significant opportunity to address the needs of these populations due to recent improvements in humanitarian access and implementation capacity in Iraq.

Fortunately, 2009 has not seen major displacement of conflict-affected civilians in Iraq. IDP return has continued at a steady pace, although the homeward movement has not been large-scale. As of October 2009, 1.55 million<sup>1</sup> Iraqis displaced after the February 2006 bombings in Samarra continue to be displaced. Not all are ready to return to their areas of origin, with 25 percent of IDPs preferring local integration to returning and a further 20 percent preferring to resettle in a third location.<sup>2</sup> Similarly, returns from abroad have continued at a steady pace but not as mass movement; many Iraqis have been compelled to return by lack of employment and deteriorating living conditions in refugee-hosting countries.

<sup>1</sup> United Nations High Commission for Refugees (UNHCR) Iraq October 2009 Monthly Statistical Update on Return

<sup>2</sup> International Organization for Migration (IOM) governorate profiles

### **1.1.3 Implementation Constraints and Challenges**

#### **Identification and allocation of land**

The allocation of land in Iraq still remains within the jurisdiction and control of the central government, which demands to be appropriately involved in practically every aspect of project design and implementation. Nearly all land allocation approval processes have taken significantly longer than expected.

In addition to decentralized units of the central ministries, governorate level approval structures are involved. There is significant variance in the level of understanding of procedures and practices between these two structures. As a result, unless directives from the central ministry to the local directorates are absolutely specific, actions are delayed or remain unattended to.

This problem becomes acute in situations where land is required for purposes other than that already established in the statutory plans or when required by new ministries such as the Ministry of Displacement and Migration (MoDM). This is a newly formed ministry that is just developing institutionalized processes and structures to deal with such issues. As a result, the identification and allocation of land for IDP housing and for several other projects by the concerned local authorities is taking longer than expected.

#### **Access to cost-effective building materials**

Rehabilitation work in the sector suffered as a result of extended periods of non-availability of specific building materials as well as major price fluctuations of both materials and labour, on occasion requiring either change in specifications or in scope of work:

- **Market price fluctuations:** Market prices of both labour and materials have been extremely volatile, affecting final costs and scopes of various projects. UN-HABITAT has determined that it must identify and analyze price-volatile resources moving forward to aid in accurate implementation planning.
- **Raw material shortages:** There were difficulties in importing major items, particularly for the construction of storm water networks and asphalt paving, needed due to the shortage of raw materials in the local market.
- **Border crossing and customs difficulties:** The supply of equipment has been affected by difficulties in border crossing or through Umm-Qasr port and in obtaining custom clearances from the Iraqi authorities.
- **Security-related delays:** Several projects experienced delays due to security issues. Security-related concerns often delayed movement of critical goods at border crossings, and in some cases prevented the procurement of goods altogether. Particularly in the case of high-tech equipment, suppliers concerned about security were reluctant to transport their goods to Baghdad, provide on-site training in the operation and maintenance (O&M) of such goods, or provide post-supply maintenance or repair. This in turn limited the degree of competition that is desired under UN financial rules and regulations, and holds implications for post-supply maintenance and repair support services.

## **Banking complications**

Certain projects experienced a combination of implementation delays as well as additional fees due to the absence of working banking systems in Iraq. Transfer of funds for project activities was possible only through money vendors, against specific transfer charges. However, these vendors' inability to transfer desired amounts of funds at specific times slows implementation as well as hurts the agency's credibility with regard to its ability to efficiently implement planned activities.

## **Coordination and collaboration with partners**

The lack of certain competencies or available human resources at critical government partner bodies—for example the lack of adequate personnel to appropriately support all necessary projects—as well as the logistical constraints associated with international consultants working remotely caused delays in finalizing various project tasks. Furthermore, a range of ministries and authorities involved in development and regulation tasks required by these projects must be brought into project-related dialogue and their related activities coordinated. The conflicting nature of so many bodies' schedules has caused delays in project implementation across the sector.

### **1.1.4 Coverage and Counterparts**

Sector efforts continued to target both national and subnational levels. The previous report period focused largely on capacity-building at the national and central ministry levels, and began the process of rehabilitating community facilities and infrastructure throughout multiple governorates. The current reporting period built upon the previous initiatives with activities designed to provide technical advisory and capacity-building services for demonstration activities in three pilot governorates (Erbil, Babil and Najaf). The pilot areas were selected: (i) as samples from the North, Centre and South and (ii) for their demonstrated potential for success based on the existence of networks with local champions for receiving support for the formulation of governorate-level housing strategies.

Humanitarian action was targeted to reach the most vulnerable households. Support for demonstration IDP/returnee housing was directed at six governorates with the highest case loads of displaced families.

Key partners included various national ministries, namely the Ministries of Construction and Housing (MoCH), Planning and Development Cooperation (MoPDC), Municipalities and Public Works (MoMPW), and Displacement and Migration (MoDM), along with their respective Directorates at the governorate levels. The Mayoralty of Baghdad also continued to be a client for specific support related to O&M of sewerage networks in Baghdad. Partnerships continued with local elected councils in the various project governorates, who are being increasingly involved in all aspects of project planning and implementation. Although not with UNDG ITF funding, the Office of the United Nations High Commissioner for Refugees (UNHCR) and the International Organization for Migration (IOM) continued their existing partnerships with local NGOs for activities related to protection, displacement and returns, monitoring and distribution of non-food items, and shelter support for displaced households.

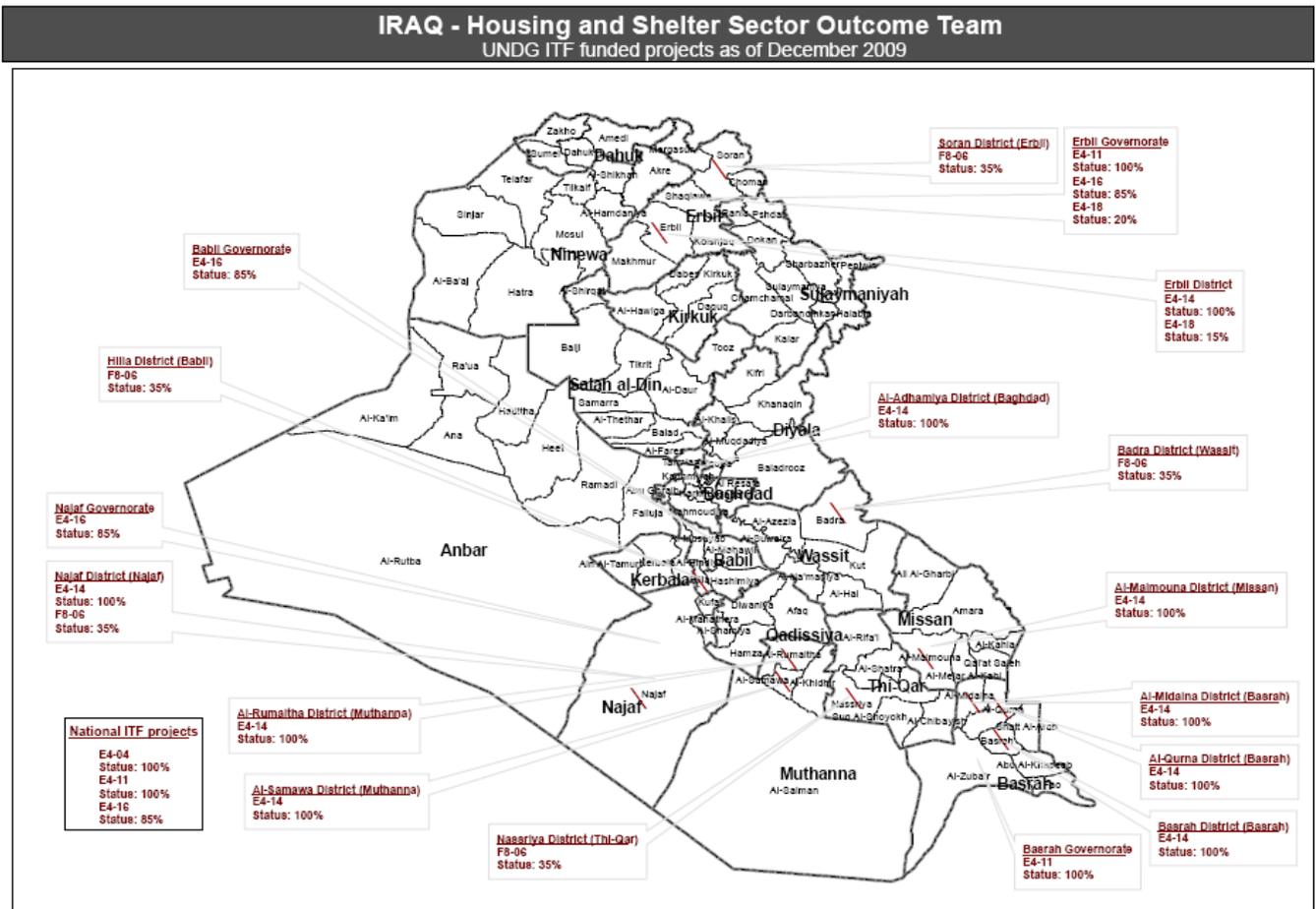
During the reporting period, partnerships continued between UN-HABITAT and the Netherlands-based Institute for Housing and Urban Development Studies on establishing a Knowledge and Training Centre within the MoCH. UNDP and UN-HABITAT moved forward with a project, providing technical inputs on implementation of the Erbil Housing Strategy, which began during the previous reporting period. Erbil was chosen for this technical assistance and capacity-building support with the offer from the local authorities to co-finance the project. Economic and Social Commission for Western Asia (ESCWA) and

UN-HABITAT began work on the policy, legislative and programme review of the building materials and construction subsectors and developed a partnership with US based consultancy AECOM.

Within ministries, the selection of beneficiaries for receiving training was based on their experience, functions and responsibilities. The implemented works during the reporting period covered the following:

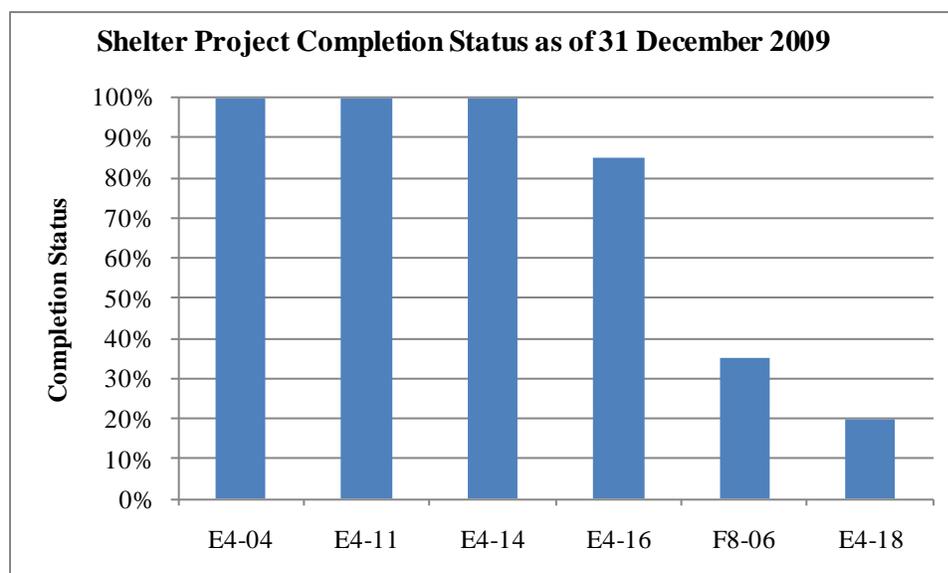
- Rehabilitation/construction works: Governorates of Baghdad, Samawa (Muthanna), Najaf, Basrah, Babil, Thi-Qar, Wassit and Erbil.
- Institutional reforms, technical advice and capacity building: national level, Erbil, Babil and Najaf.

Figure Error! No text of specified style in document.–1 District Level Map for Housing and Shelter Sector



### 1.1.5 Results

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### 1.1.6 Narrative Explanatory Summary of Results

#### Outcome 1: Improved housing delivery system

At a central level, during the reporting period, working groups within the MoCH (including other ministries with housing-related mandates) were formed and worked with UN-HABITAT and its consultant AECOM to review findings of the ‘Housing Market Study and State of Iraq Cities’ report and other research recently commissioned and to formulate a new housing policy for Iraq. The first draft of the policy was completed in September, was reviewed by the working groups and MoCH heads of departments, and was finalised for the approval of the National Habitat Committee (NHC) at the end of the year. Endorsement by the NHC is expected in early 2010. The same teams, under the supervision of UN-HABITAT and AECOM, by the end 2009 were engaged in drafting a Housing Law and an organizational restructuring plan for the MoCH aimed at ensuring that the Ministry will be capable of implementing the legislative, policy and programme proposals. The intent of the policy and reform plans is to create a new paradigm for housing delivery in Iraq, where the government withdraws from direct housing production and creates an enabling environment for increased private-sector delivery.

Training and capacity-building at the Training and Knowledge Centre set up in the previous reporting period was ongoing in this reporting period, including a study workshop in Malaysia on Islamic Law and its role and function in land and housing. Further to advancement of the Urban Observatory mentioned in the previous reporting period, costs required by the Central Organization for Statistics and Information Technology (COSIT) to set up a data collection and analysis unit for the MoCH were higher than could be afforded within this project; MoCH applied for funding from the treasury to pay for it, but was declined. In the next reporting period it is expected that a scaled-down housing observatory will be established within the MoCH.

The sector also improved the capacity of 10 MoDM and MoCH employees, as well as 26 staff members of governorate authorities and municipalities, to address returnee and displacement shelter needs and solutions. Finally, 22 representatives (4 females and 18 males) of relevant line ministries, local authorities and national NGOs participated in a five-day training and study tour looking at best practices in self-help low-cost housing.

Throughout the reporting period, proposals were prepared in collaboration with stakeholders aimed at promoting their effective involvement in future provision of new housing and in slum upgrading. Awareness was increased among stakeholders with regard to the need for housing sector reform and the more effective involvement of the private sector, community leaders and voluntary organizations. A stakeholder workshop on land allocation and low-cost housing construction took place in January 2009.

At governorate level (Erbil), a Project Steering Committee was assembled that is chaired by the deputy Governor of Erbil and consists of governorate and municipal officials, government banks and private sector officials. The Project Steering Committee conducted a study tour in Istanbul, which included exposure to good practices in improved housing delivery. A Housing Facilitation Unit (HFU) was established in Erbil that supports households to prepare for and implement incremental housing improvement. It is intended that this HFU, once proven to be successful, will be institutionalized within the municipality.

## **Outcome 2: Reduced number of people living without adequate shelter in the most vulnerable areas**

During the reporting period, the Programme of Rehabilitation of Community Facilities and Infrastructure was completed. This project provided 2,460 vulnerable families (approximately 15,000 persons) with improved housing conditions in Baghdad, Basrah, Samawa, Najaf and Erbil. Furthermore, this project provided shelter and ancillary facilities for approximately 1,100 orphans and physically challenged persons. UN-HABITAT also improved water supply and sanitation infrastructure in eight urban areas, which benefited some 650,000 persons. In addition, several hospitals, health centers and youth centers were rehabilitated and upgraded, which improved public facilities and services that positively affected 304,000 inhabitants, including pregnant mothers, children, infants and youth. Finally, in Erbil, physical and social surveys were undertaken for two settlements targeted for upgrading; slum upgrading strategies were drafted for two target settlements through consultation with local community and with governorate officials, and a report was prepared for energy-efficient house designs.

Erbil city has allocated the land for constructing the IDP/returnee housing units and the site-survey process is completed. Design of the housing units is completed and agreed upon with local authorities. The procurement process for executing the housing units is underway. In other target locations, including Babil, Najaf, Thi-Qar and Wassit, the project has experienced major delays of land allocations for IDP/returnee houses. UN-HABITAT planned a stakeholder workshop, representing concerned governorates and ministries, in early January 2009 to resolve the issue of land allocation and agree upon the beneficiary selection criteria. Governorates that failed to allocate land were dropped from the list and their share of houses was redistributed amongst the cities who managed to do so. Accordingly, housing units in Baghdad and Najaf (15 and 105 units, respectively) were allocated to the other four cities. A major achievement is the governorate agreement to contribute to the project cost through provision of serviced land. All designs for the housing units are completed and awaiting approvals from the related authorities.

Housing infrastructure projects also indirectly contributed to improved housing possibilities for the poor and unemployed by providing employment. Infrastructure projects designed to improve living conditions for vulnerable families provided local employment. Projects dealing with community-based approaches to solid waste management created opportunities.

### **1.1.7 Other SOT Major Contributions and Implementing Partners**

**UNHCR:** Shelter continued to be the most urgent priority for IDPs and returnees in all governorates. UNHCR targeted the most vulnerable IDPs and returnees in its shelter programme. The programme was implemented in 15 governorates, but the major focus was Baghdad and Diyala—the two largest returnee governorates—where 41 percent of the total shelters were rehabilitated. In all of Iraq, 10,052 shelters have been completed, covering 64,914 persons. The liquidation period of one of the projects has been extended until the end of March 2010, and rehabilitation work is still continuing under that project. In 2009, UNHCR also intervened in the rehabilitation of shelters for the victims of violence in Taza/Kirkuk, Wardak/Ninewa and Baghdad.

Through the Diyala Initiative, a UN joint project has been initiated to support the return of returnees. Diyala is not only the second largest returnee governorate but also has been one of the worst affected governorates in Iraq's inter-sectarian war where a sizable number of people fled internally and externally.

It hosts some 32,000 displaced families. An extensive part of the province suffered from widespread destruction and devastation during the 2006/2007 war.

As part of the Diyala Initiative, some 400 potential returnee villages were prioritized, and UNHCR, IOM, the Food and Agriculture Organization of the UN (FAO), United Nations Children's Fund (UNICEF), World Health Organization (WHO) and World Food Programme (WFP) have been working closely with the GoI's Implementation and Follow-Up Committee for National Reconciliation (IFCNR) on identification of the most urgent interventions. UNHCR together with IFCNR assumed a leading role in moving the inter-agency process forward. In the Initiative, while each organization works in their respective area of expertise, UNHCR focuses its efforts on shelter rehabilitation, protection and co-ordination of return and reintegration. In 2009, UNHCR rehabilitated 2,551 shelters for returnees in the governorate.

**IOM:** IOM distributed non-food items (NFIs) to 23,646 families in Anbar, Babylon, Baghdad, Basrah, Diyala, Dohuk, Erbil, Karbala, Kirkuk, Missan, Nassirya, Ninewa, Suleimanya and Thi-Qar.

**Agency for Technical Cooperation and Development:** ACTED undertook the rehabilitation of 125 shelters in Erbil and launched (end of the year, so ongoing) the rehabilitation of 200 in Muthanna, 350 in Wassit and 325 in Thi-Qar. The methodology used evaluated the needs of each beneficiary and then rehabilitated the equivalent of one room based on those needs. Rehabilitation work was implemented in Cash For Work by people from the community managed by community focal points. Shelter beneficiaries also benefited from the rehabilitation or construction of a latrine whenever needed, the distribution of NFIs (water and heating kits) and a hygiene campaign (including hygiene kits).

**Danish Refugee Council:** DRC's main activity in the shelter sector relates to its role in implementing a portion of UNHCR's work listed above. In addition to this, DRC undertook the rehabilitation of 50 houses in Basrah.

