

United Nations Development Group Iraq Trust Fund
Project #: E4-20
Date and Quarter Updated: 30th September 2010(3rd Quarter)

Participating UN Organisation: UN-HABITAT (Lead), UNDP **Sector:** Housing
Government of Iraq – Responsible Line Ministry: Ministry of Construction and Housing

Title	Strengthening the Capacity of the Housing Sector in Iraq: Bridging for Phase III				
Geographic Location	Baghdad and KRG				
Project Cost	\$750,000 (UN-HABITAT component \$465,000, UNDP component \$ 285,000)				
Duration	15 months				
Approval Date	27 Jun 2010	Starting Date	31 Aug 2010	Completion Date	30 Nov 2011
Project Description	<p>The proposed USD \$750,000 Bridge Funding project for the Strengthening the Capacity of the Housing Sector is intended to better prepare and equip the Government of Iraq and its Ministry of Construction and Housing to meet the increasing needs of the Iraqi housing sector. It builds on previous phases of the Strengthening the Capacity of the Housing Sector program, where a systematic survey and analysis of Iraq's urban housing market in Phase I led to a National Housing Policy in Phase II designed to address Iraq's critical housing needs. The policy shifts the Government's emphasis from direct provision of housing to enabling private sector delivery, through creating a conducive legislative and regulatory environment, in line with global good practice. A third phase is planned, and aims to support the Government of Iraq in implementing the Policy through providing technical support in key institutional and regulatory reform processes and in technical actions. The proposed Bridge Funding project will consolidate Phase II and lay foundations for Phase III by putting in place necessary actions to initialize the reform of key institutions that underpin the reform of the sector.</p>				

Development Goal and Immediate Objectives

MDG 7, Target 7a: aims to "integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources." This project clarifies the roles of the housing institutions, so that they can be better structured to support sustainable approaches to housing delivery stipulated in the National Housing Policy

Target 7d: aims "by 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers." This project contributes to this goal by laying foundations for Phase III, where the State Commission for Housing will gain improved capacity to support local initiatives in slum upgrading and address the housing needs of the poor.

ICI 4.4.1 aims to "improve access to housing by 15%" and NDS 2007-2010 p81 states: "Iraq is facing a serious housing shortage which, unless addressed as a matter of urgency, could have a severe negative impact on the overall quality of life and urban development. A consensus has emerged that the solution to Iraq's housing shortage lies in a market-driven system founded on a strong housing finance system which can scale-up housing loans for moderate and low-income families." A market driven housing delivery system relies on a well functioning housing finance system. The project supports this national priority by scoping the potential of commercial banks to engage in housing finance. By also reviewing roles and responsibilities of housing related institutions, this project paves the way for the institutional and regulatory reforms that will be needed to support a market driven housing delivery system.

Outputs, Key activities and Procurement

Outputs	<p><u>Output 1: MoCH, National Human Settlements Committee (NHC), and other stakeholders have evidence base for improved planning and implementation of institutional and regulatory reforms within the housing sector</u></p> <p><u>Output 2: KRG is supported to adapt the National Housing Policy to address regionally specific criteria</u></p> <p><u>Output 3: Key housing sector institutions have a framework for realigning roles and building capacity in line with recommendations of the National Housing Policy</u></p> <p><u>Output 4: Government of Iraq (GoI) has improved knowledge of the potential to establish a commercial housing finance market in Iraq in line with Banking Sector Reform processes.</u></p>
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Activities	<p>1.1 Independent evaluation of Strengthening the Housing Sector Phase II project is undertaken</p> <p>1.2 Iraq Housing Market Study originally prepared in 2007 updated to reflect current housing situation</p> <p>2.1 An analysis prepared of key factors specific to KRG that warrant an addendum to the National Housing Policy</p> <p>2.2 Regionally specific addendum to the National Housing Policy prepared</p> <p>3.1 Role of the existing National Habitat Committee strengthened to exist as a high level independent inter-ministerial body to monitor and support the implementation of the Housing Policy and to include Ministry of Finance, private sector and civil society members.</p> <p>3.2 Training Needs Assessment of MoCH prepared</p> <p>3.3 Roles and responsibilities of MoCH and related institutions clarified in the light of the Law of Disengagement and the requirements of the National Housing Policy</p> <p>4.1 Assessment prepared of two major state-owned commercial banks and selected private commercial banks to ascertain their position to engage in Housing Finance</p> <p>4.2 Scoping study of the potential for the National Housing Fund to support commercial housing finance</p> <p>4.3 Study on alternative Housing Finance mechanisms to support households that are not served through commercial housing finance.</p>
Procurement	N/A

Funds Committed		% of approved	
Funds Disbursed		% of approved	
Forecast final date		Delay (months)	

Direct Beneficiaries	Number of Beneficiaries	% of planned (current status)
Men		
Women		
Children		
IDPs		
Others		
Indirect beneficiaries		
Employment generation (men/women)		

Quantitative achievements against objectives and results			
MoCH, National Human Settlements Committee (NHC), and other stakeholders have evidence base for improved planning and implementation of institutional and regulatory reforms within the housing sector	PROJECT IN LAUNCHING PHASE	% of planned	0
Output 2: KRG is supported to adapt the National Housing Policy to address regionally specific criteria	PROJECT IN LAUNCHING PHASE	% of planned	0
Output 3: Key housing sector institutions have a framework for realigning roles and building capacity in line with recommendations of the National Housing Policy	PROJECT IN LAUNCHING PHASE	% of planned	0
Government of Iraq (GoI) has improved knowledge of the potential to establish a commercial housing finance market in Iraq in line with Banking Sector Reform processes	PROJECT IN LAUNCHING PHASE	% of planned	0

Qualitative achievements against objectives and results

Main implementation constrains & challenges (2-3 sentences)