



**UNDG IRAQ TRUST FUND
ANNUAL PROGRAMME¹ NARRATIVE PROGRESS REPORT
REPORTING PERIOD: 1 JANUARY – 31 DECEMBER 2010**

<p align="center">Programme Title & Number</p> <p>Programme Title: Improving Access for IDPs and Returnees to Acceptable Shelter Solutions</p> <ul style="list-style-type: none"> • Programme Number F8-06 • MDTF Office Atlas Number: 66936

<p align="center">Country, Locality(s), Thematic Area(s)²</p> <p>Iraq: Erbil, Hilla, Wasit, Thi-Qar and Baghdad</p> <p>Housing and Shelter Sector Outcome Team</p>
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<p>Participating Organization(s): UN-HABITAT</p>

<p>Implementing Partners</p> <p>MoDM, MMPW, MoCH, MPDC, NGOs and private sector</p>
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<p align="center">Programme/Project Cost (US\$)</p> <p>MDTF Fund Contribution: US\$ 5,150,304</p> <p>Agency Contribution:</p> <p>Government Contribution:</p> <p>KRG co Funding: US\$ 320,000</p> <p>Other Contribution</p> <p>Total : US\$ 5,470,304</p>
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<p align="center">Programme Duration (months)</p> <p>Overall Duration: 37 months</p> <p>Start date: 26.03.2008</p> <p>Original Date: 26.03.2009</p> <p>Revised End date: 30.04.2011</p> <p>1st Extension: 31.07.2010</p> <p>2nd Extension: 30.04.2011</p> <p>Operational Closure Date : 31 July 2011</p> <p>Expected Financial Closure Date: 31 July 2012</p>
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<p>Programme Assessments/Mid-Term Evaluation</p> <p>Assessment Completed - if applicable please attach</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No Date: _____</p> <p>Mid-Evaluation Report –</p> <p>Yes No Date: _____</p>
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¹ The term “programme” is used for programmes, joint programmes and projects.

² Priority Area for the Peacebuilding Fund; Sector for the UNDG ITF.

NARRATIVE REPORT FORMAT

I. Purpose

Objective 1:

To enhance standard of living of up to 296 IDP/ returnee families in displacement and integrate them with their host communities by supplying adequate and affordable shelter of contextually appropriate duration.

Outputs related to objective 1

Improved and enhanced standard of living for up to 400 IDPs/returnees families through construction of up to 300 low-cost self-help shelter units for IDPS/returnees on MoDM allocated land in Erbil, Thi-Qar, Babylon and Wasit.

Objective 2:

To develop a coordination mechanism among Ministry of Construction and Housing, Ministry of Municipalities and Public Works and Ministry of Migration for addressing IDP and returnee in displacement shelter needs

Outputs related to objective 2

2.1 A Coordination Committee formed with necessary powers and capacities and an Action Plan prepared to begin mainstreaming the support of returnees into local government processes in view of achieving longer term sustainable solutions.

Objective 3:

To address the current capacity gaps of MoM, MoCH, relevant KRG and Governorate authorities in responding to the shelter needs of IDPs and returnees in displacement.

Outputs related to objective 3

3.1 A localized integrated Returnee Shelter Strategy developed for a selected governorate, identifying capacities of existing institutions and local private sector to mobilize support to ensure sustainable return.

3.2 Improved capacity of 10 MoDM and MoCH as well as 26 staff members of the Governorate authorities and municipalities to address returnee and displacement shelter needs and solutions.

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

The framework for strategic development takes into account the UNCT's own assessment of assistance needs. The UNCT has identified three strategic priorities for the period 2008 -2010 as follows:

- Support to public governance reforms and institutional & operational capacity building: This project aims to improve institutional and operational capacity to support the shelter needs of IDPs and Returnees through drafting and implementing a Returnee Strategy in one city.
- Support to provision of basic services and poverty reduction: This project provides basic shelter for IDPs and Returnees, and once housed, beneficiaries are more able to pursue their livelihoods agenda.

- Humanitarian Assistance: The nature of this project is humanitarian shelter assistance, following post 2006 displacement.
- The programme's operating Principles include:
- Mainstreaming Gender:
 - Through encouraging the participation of women in capacity building activities wherever possible.
 - The beneficiary selection criteria considered women headed households within vulnerable groups to be eligible for government support in terms of shelter assistance.
 - Human Rights: in providing shelter assistance to homeless vulnerable families.
 - Environment: designing the housing units entails the use of local building materials wherever possible with climate consideration according to location.
 - Employment: using labor intensive methods of construction (for the housing units), employing local contractors who in turn employ local workers.
 - Working at International (Regional), National and Local Levels: the project utilizes international expertise in coordination with national consultants who work closely with local authorities and staff from related ministries, that will result in enhanced capacities, and help feed best practices into the project at the same time make sure that the information is tailored for that locality, in addition to enhanced coordination mechanisms between different stakeholders.

II. Resources

Financial Resources:

- Other funding resources :

The governorate of Erbil is co-funding the construction of 64 IDP/returnee housing units by \$320,000.

- Budget Revision:

A no-cost time extension was approved on 9 September 2009 extending the project duration till 31 July 2010. Another budget revision was approved on 6 September 2010 extending the project duration till 30 April 2011. It implied a change of scope, time extension and movement of funds between budget lines.

- 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:
 - 2 National staff (operations) - (part-time)
 - 5 National staff (programme) - (part-time)

2 National consultants

- International Staff:

2 International staff (operations) - (part-time)

1 International staff (programme) - (part-time)

2 International consultants

III. Implementation and Monitoring Arrangements

Within the interagency response to the IDP crisis in Iraq and to prepare for return, UN-HABITAT will directly engage in providing shelter solutions of contextually appropriate duration to IDPs/returnees in displacement thereby contributing to the creation of an environment favourable to accommodating and integrating IDPs/returnees in displacement within host communities. This approach will be reached by concentrating on construction of low-cost units to temporarily accommodate IDP/returnees families in displacement.

UN-HABITAT interventions will respond to the needs of the IDPs/returnees in displacement in Hilla, Erbil, Wassit and Thi-Qar Governorates by assisting MoDM, MoCH Housing Directorate, relevant KRG authorities and local municipalities in providing comprehensive temporary shelter assistance through the construction of a model MoDM accommodation of up to 400 low-cost units.

UN-HABITAT will use a multi-pronged and participatory approach for accommodation of IDPs/returnees. This will entail discussing different shelter options and capacity-building for the MoDM and MoCH Housing Directorates, KRG and municipal authorities. This is based on UN-HABITAT/UNHCR experience in housing IDPs/returnees elsewhere in the world.

- The procurement procedures

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 on 'best value for money', emphasis is placed on sourcing goods, works and services from within Iraq, wherever able and available. 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.

- The monitoring system

The project deploys a system for concurrent monitoring to assess progress against the work plan and log frame outputs.

UN-HABITAT has contracted an international consultant to develop a returnee strategy working with local teams, national coordinators and engineers. The strategy methodology adopts a participatory approach

involving stakeholders formed into working groups to discuss and debate issues regarding best solutions for shelter needs of IDPs and returnees.

These teams will assist the process of drafting the said strategy for a selected City (Baghdad) to develop durable shelter solutions for IDPs and returnees. The UN-HABITAT consultants and coordinators will ensure synergies with the recently endorsed “Iraq National Housing Policy” that was developed under UN-HABITAT Strengthening the Capacity of the Housing Sector Phase 2 project.

The project will work during the next reporting period to bring around the table all stakeholders (Shelter SOT and interested donors) working in Iraq on the issue of shelter assistance for IDPs and returnees, to share views and data and agree jointly upon the way forward.

UN-HABITAT project coordinators in the selected governorates supervise the construction of shelter work using labor intensive approaches, and are responsible for the day-to-day management of operations assisted by the project manager. These bodies document lessons learnt to feed in the returnee shelter strategy. UN-HABITAT field coordinators work closely with technical teams from the local authorities in the selected cities to insure proper implementation for construction qualifications (quality control and capacity building) as well as insure the proper implementation of the beneficiary selection criteria.

This project makes use of IOM’s and UNHCR’s continuous assessment of IDPs’ and returnees’ priorities as stated in monitoring reports. The IDP/returnee durable solutions for a shelter strategy report will be the result of the next reporting period.

IV. Results

The construction of IDP houses is 100% complete in Erbil. The process of beneficiary selection of families is agreed upon with local authorities and is underway. In the other three locations (Wasit, Hilla and Thi-Qar), the project has experienced major delays of land allocations for IDP/returnee houses; delays were also experienced while approving designs of the houses by local authorities due slow procedures at the central level as well as to governorate elections and the arrival of new faces where a new introduction had to be done. Further delays were experienced in the process of approving contracts for the execution of the construction works in these governorates. The actual work started in December 2010.

UN-HABITAT is preparing a strategy for durable shelter solutions for IDPs and returnees after agreeing with the counterpart ministry on focus areas and selecting a pilot city for the study (Baghdad) that has a variety of IDP and returnee situations. This agreement experienced delays due to ministerial changes. An international consultant has been recruited supported by national consultants in Baghdad. Work is underway in preparation for the strategy study. These efforts are coordinated with the Shelter SOT members with an aim for having a shared strategy that responds to the returnee needs to reach a durable shelter solution.

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

Outputs related to objective 1

- 1.1 Improved and enhanced standard of living for up to 400 IDPs/returnees families through construction of up to 400 low-cost self-help shelter units for IDPS/returnees on MoDM allocated land in Erbil, Babylon, Wassit and Thi-Qar. **(50% complete)**

Outputs related to objective 2

- 2.1 A Coordination Committee formed with necessary powers and capacities and an Action Plan prepared for returnee and IDP shelter interventions. **(37% completed)**

A new set of TORs will be prepared for a steering committee to guide the process of drafting the strategy for durable shelter solutions for IDPs and returnees and to approve of the final result. A workshop will be conducted early next year to kick start the process.

Outputs related to objective 3

3.1 A localized shelter strategy for IDPS/returnees consistent with the broader Cluster F shelter framework developed for a selected city identifying the most suitable shelter solutions and localized guidelines detailing approaches for replication. **(40% completed)**

3.2 Improved capacity of 10 MoDM and MoCH as well as 26 staff members of the Governorate authorities and municipalities to address returnee and displacement shelter needs and solutions. **(40 % completed)**

A workshop will be held in early 2011 that will include members of stakeholder ministries to introduce IDPs and returnee shelter issues and means of addressing them.

For details, please refer to table below:

Quantitative achievements against objectives and results		% of planned
<p>1.1 Improved and enhanced standard of living for up to 296 IDPs/Returnees families through construction of up to 296 low-cost shelter units for IDPS/Returnees on MoDM allocated land (as temporary accommodation) in Babylon, Thi Qar, Wassit and Erbil.</p>	<p>In Erbil: IDPP-ERB-001 Construction of (41) houses for IDP/returnees in Soran District. Works completed 100%, and handed over. IDPP-ERB-002 Construction of (23) houses for IDP/returnees in Soran District. Works completed 100%, and handed over.</p> <p>A meeting was held with Erbil Deputy Governor, 21 October, to discuss the “beneficiary selection criteria” and to set a committee for this purpose. The committee was set on 30th November 2010. Another meeting was held with Soran commissioner for the same purpose to facilitate the role of the above committee, and that was on 12 December 2010.</p> <p>In Thi-Qar, Babylon and Wassit: Bids were received in Amman during the last week of May and first week of June. Tender review and analysis were completed with the recommendation packages sent to HQ to obtain the approval of authorization to award contracts to the best and lowest bid. HQ advised to rebid all packages sent previously as follows:</p> <p>IDP/HIL/001, was sent to HQ requesting authorization to award contracts (23-Sept-10) Contract awarded on 31 Oct-10. IDP/HIL/002 was sent to HQ requesting authorization to award contracts (04-Oct-10) Contract awarded on 10 Nov-10. IDP/NA/001, was sent to HQ requesting authorization to award contracts on (28-Sept-10) Not authorized yet</p>	<p>50%</p>

	<p>IDP/NA/002 was sent to HQ requesting authorization to award contracts (04-Oct-10) Contract awarded on 09 Nov-10.</p> <p>IDP/WST/001 was sent to HQ requesting authorization to award contracts (30-Sept-10) Contract awarded on 16 Dec-10.</p> <p>IDP/WST/002 was sent to HQ requesting authorization to award contracts (30-Sept-10) Not authorized yet</p> <p>The proposed mechanism for applying the “beneficiary selection criteria” was agreed upon with counterparts in the selected locations for the built houses. Accordingly a meeting was scheduled in Baghdad early October 2010 with MoDM focal point and no comments were raised.</p>	
<p>2.1 A Coordination Committee formed with necessary powers and capacities and an Action Plan prepared for returnee and IDP shelter interventions.</p>		<p>37%</p>
<p>3.1 A localized shelter strategy for Returnees consistent with the broader Cluster F shelter framework developed for a selected city identifying the most suitable shelter solutions for one selected city and manuals and localized guidelines detailing approaches for replication to begin mainstreaming the support of returnees into local government processes in view of achieving longer term sustainable solutions.</p>	<p>UN-HABITAT prepared new terms of reference for a consultant to prepare a returnee strategy, shared it with MoDM. The Ministry, after discussions with UN-HABITAT in a meeting in Baghdad (second half of June), had different views on their current requirements and promised to get back to UN-HABITAT with their comments soon. MoDM failed to do this, failed to respond to reminder emails and to attend 2 meetings planned in September</p> <p>A meeting took place in early October 2010 in Baghdad with MoDM representative to finalize the scope of the returnee shelter strategy study in a pilot city. “Baghdad” was proposed by MoDM being a city that has a variety of IDPs and returnees situations.</p> <p>Accordingly an international consultant has been recruited supported by national consultants in Baghdad. Work is underway in preparation for the strategy study.</p> <p>These efforts are coordinated with the Shelter SOT members at an aim for having a shared strategy that responds to the returnee needs to reach a durable shelter solution.</p>	<p>40%</p>
<p>3.2 Improved capacity of 10 Ministry of Migration and Ministry of Construction and Housing as well as 26 staff members of the Governorate Authorities and municipalities to address returnee and displacement shelter needs and solutions.</p>		<p>40%</p>

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

There were delays in the allocation of land for housing in the three southern governorates by the concerned local authorities. Moreover, there have been some delays in the procurement process for contracting the construction works of houses in the three southern governorates.

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

Collaborations with UNHCR, IOM, and MoDM, have helped monitor and map areas with high concentrations of IDPs / returnees in displacement, living in inadequate shelter. On the other hand these agencies are now well placed to integrate shelter with their ongoing protection activities including legal assistance to recover lost property (to be carried out through UNHCR network of Protection and Assistance Centres). The coordination and collaboration efforts with OCHA, UNHCR, IOM and other partners in the Shelter SOT members of international NGOs working inside Iraq (NRC, IRC, USAID, CHF, Mercy Hands, Mercy Corps and IRD) will continue during the next phase through the process of drafting a shelter strategy for longer term solutions for IDPs and returnees. Coordination with counterparts, stakeholder ministries in Iraq is an important step in integrating efforts and ensuring their ownership of the strategy.

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

Consideration has been made during the process of designing the housing units regarding social and cultural aspects in each locality in addition to environmental issues in selecting building materials and design. A transparent process for selecting beneficiary families for IDP/returnee families has been agreed upon after sharing it with MoDM, it is being introduced to local authorities in order to start implementing it. The criteria of beneficiary selection introduced and agreed upon by partners gives single women headed families priority in the selection process for shelter assistance. The project tried hard to encourage female participation wherever possible in capacity building workshops and meetings.

V. Future Work Plan (if applicable)

UN-HABITAT's projected activities for the period 1 January-30 April 2011 since the project completion date is 30 April 2011

- Continue stakeholder consultations and coordination.
- Continue the process of beneficiary selection for vulnerable families that will use the constructed houses in Erbil.
- Start implementing the construction of the housing units in the southern governorates.
- Start the process of beneficiary selection of vulnerable families to use the newly constructed houses.
- Set up and mobilize working groups from different stakeholder ministry members to discuss the shelter strategy.
- Set up a steering committee composed of senior stakeholder ministry officials to oversee the work of the above mentioned working groups, and later on endorse the strategy.

- Hold training workshops in Amman, Baghdad and Erbil on the drafting of the shelter strategy with the working groups, steering committee and other related stakeholder international players working in Iraq on related issues for IDPs and returnees.
- Complete Returnee Shelter Strategy.

From previous experiences, informal training (on the job training) is one of the successful ways of building the capacities of official staff and ensuring their buy in of the final product.

- Indicate any major adjustments in strategies, targets or key outcomes and outputs planned.
- A budget revision has been approved in September 2010, for a time extension, change of budget scope and movement of funds between budget lines. The following are the points requested to be changed for the scope:
 - Wasit was introduced as a location for building IDP/returnee houses instead of Karbala because the governorate failed to provide the land.
 - Number of built houses is reduced from 400 to around 300 units due to the inflation of prices and increasing cost of building materials after the extensive delays the project faced and that led to the construction of less number of houses on a smaller built up area.
 - The number of beneficiary families are reduced to up to 300 families due to decreased number of houses and decreased built up area (explained above).
 - The plan to develop an Emergency Shelter Strategy was replaced with “strategy for longer term shelter solutions for IDPs and returnees” for a selected governorate (Baghdad). The study will identify capacities of existing institutions and local private sector to mobilize support to ensure sustainable return. IDPs and Refugees will continue to return to Iraq over a long period of time, and over the long term, funding from international actors that support the process of return is likely to fade. Therefore it is critical for UN-HABITAT to focus on the current need for longer term sustainable support through local and national institutions, as well as local private sector, given that UNHCR has prepared guidelines for emergency shelter support.
 - Regarding the “self help” approach introduced earlier in the project document, the project team found it difficult to implement within the current situation where beneficiaries are not identified yet, therefore the programme opted to use local contractual facilities and build on that, involving the provision of job opportunities for low and medium skilled workers. Self-help approaches will be explored in developing a strategy for longer term shelter support.