

United Nations Development Group Iraq Trust Fund

Project #:E4-18

Date and Quarter Updated: 1 October - 31 December 2011 (4th Quarter 2011)

Participating UN Organisation: UN-HABITAT and UNDP Sector: Shelter

Government of Iraq – Responsible Line Ministry: Ministry of Municipalities and Public Works –KRG

Title	Improving the Housing Delivery System in Erbil				
Geographic Location	Erbil				
Project Cost	\$2,987,115 (UN-HABITAT \$ 1,645,547; UNDP \$ 1,341,568)				
Duration	24 Months (12 months delay)				
Approval Date (SC)	04.12.2008	Starting Date	09.12.2008	Completion Date	9.12.2010 extended to 31.12.2011
Project Description	<p>In Erbil City the housing delivery system suffers from various shortfalls according to Erbil Housing Strategy. Although land is distributed, lack of housing finance, unaffordable costs of building materials, insufficient private sector involvement in delivery, and poor regulatory capacities constrain efficient housing delivery. Unless urgent measures are taken, there will be a breakdown in urban services coupled with large scale proliferation of slums and illegal land and housing development. A strategy for addressing these challenges has already been formulated by the relevant KRG authorities with UN-HABITAT support. This project aims to support the implementation of that strategy by helping to strengthen local capacities through institutional reform measures. The project will also demonstrate environment friendly and cost effective approaches to housing design and area upgrading.</p>				

Development Goal and Immediate Objectives

1. To improve Governorate capacity in implementing the Erbil Housing Strategy.
2. To enhance slum upgrading and energy efficient housing practices.
3. To widely disseminate “decentralized housing strategy implementation experience” for replication and further policy and legislative reform.

Outputs, Key activities and Procurement

Outputs	<p>1.1. Erbil governorate supported to undertake a gender sensitive organizational development and capacity building needs assessment study of Erbil</p> <p>1.1.1. Erbil governorate supported to undertake a gender sensitive organizational development and capacity building needs assessment study of Erbil (UN-HABITAT)</p> <p>1.2. A multi-year Capacity Development Plan (CDP) for institutions in place.</p> <p>1.2.1. A multi-year Capacity Development Plan (CDP) for institutions in place. (UN-HABITAT)</p> <p>1.3. Improved skills of key personnel (men and women) in identified priority areas housing delivery, land management, slum upgrading, and management of change.</p> <p>1.3.1. Increased knowledge of municipal staff on housing delivery, land management and slum upgrading. (UN-HABITAT)</p> <p>1.3.2. Increased knowledge of municipal Staff on management of change. (UNDP)</p> <p>1.4. A framework for Public Private Partnerships in the delivery of low-cost housing developed</p> <p>1.4.1A framework for Public Private Partnerships in the delivery of low-cost housing developed. (UN-HABITAT)</p> <p>2.1 Erbil Governorate supported in development and implementation of undertaking slum improvement schemes in Erbil.</p> <p>2.1.1 Capacity of Erbil Governorate enhanced to develop and implement slum area improvement designs and frameworks. (UN-HABITAT/UNDP)</p> <p>2.1.2 Implementation of microfinance strategies and small loan scheme supported in selected areas of Erbil. (UN-HABITAT/UNDP)</p>
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	<p>2.2 Low-income housing models incorporating energy efficient and environment friendly construction and design features</p> <p>2.2.1 Supporting the upgrading of a settlement through modifying houses incorporating environmentally friendly features encroaching streets to allow street widening and improvement of streets and services. (UNDP/UN-HABITAT)</p> <p>2.3 An inclusive and integrated pilot neighbourhood improvement plan available.</p> <p>2.3.1 An inclusive and integrated pilot neighbourhood improvement plan developed. (UN-HABITAT)</p> <p>2.4 Erbil governorate is supported in implementing pilot neighbourhood improvement plans.</p> <p>2.4.1 Land tenure issues resolved</p> <p>2.4.2 Residents are able to purchase their plots</p> <p>2.4.3 Reasonable and fair eviction procedures and compensation measures for evictions are instituted.</p> <p>3.1 Documentation of experience and learning from Erbil Housing produced and disseminated for learning and scaling up in other governorates</p> <p>3.1.1 Six UN-HABITAT published reports on the experience of implementing the Erbil Housing Strategy and plans. (UN-HABITAT)</p> <p>3.1.2 Two UN-HABITAT conference papers on slum upgrading and capacity building lessons learnt produced. (UN-HABITAT)</p> <p>3.1.3 Raising awareness of Erbil governorate and municipality on energy efficient housing. (UNDP)</p>
Activities	<p>1.1 Undertake detailed interviews and consultations with stakeholders.</p> <p>1.2 Undertake a series of consultations on organization development and link to it formulation of the CDP to develop the plan</p> <p>1.3</p> <p>1.3.1 Develop national training courses and seminars</p> <p>1.3.2 Prepare training courses and study tours outside Iraq</p> <p>1.4 Review current practices and develop a framework for revised partnership approach</p> <p>2.1</p> <p>2.1.1 Prepare designs and plans of improvement and avail them for municipality to implement</p> <p>2.1.2 Formation of community structures and capacity building for asset management and service delivery</p> <p>2.2</p> <p>2.2.1 Support the upgrading of a settlement through modifying houses encroaching streets to allow the street widening and improvement of streets and services.</p> <p>2.3 Provide technical assistance for Municipality to prepare the plan</p> <p>2.4 Support Erbil governorate in implementing pilot neighbourhood improvement plans.</p> <p>3.1</p> <p>3.1.1 Assist Ministry of Municipality in Erbil and Governorate to prepare the conference</p>
Procurement	Construction of energy efficient housing.

UN-HABITAT situation as of 31/12/2011)

Funds Committed	1,401,791.36	% of approved	85%
Funds Disbursed	1,076,024.95	% of approved	65%
Forecast final date	31 December 2012	Delay (months)	24 months

UNDP situation as of 31/12/2011)

Funds Committed	542,390.70	% of approved	40.4%
Funds Disbursed	542,390.70	% of approved	40.4%
Forecast final date	31 December 2012	Delay (months)	24 months

Direct Beneficiaries	Number of Beneficiaries	% of planned (current status)
Men	The project will help to build capacity of local institutions for accelerated supply of housing especially for the poor and vulnerable. Therefore potentially benefits the entire governorate population.	
Women		
Children		
IDPs		
Others		
Indirect beneficiaries		
Employment generation (men/women)		

Quantitative achievements against objectives and results		% of planned
1. Undertake detailed interviews and consultations with stakeholders	<p>A joint UNDP, UN-HABITAT team visited Erbil from 28 – 30 March 2009 to initiate start-up activities.</p> <p>The project was officially launched in Erbil on 3 May 2009 in the presence of the Erbil Governor, the Project Steering Committee, UNDP, UN-HABITAT and the media.</p> <p>A second visit was conducted to Erbil at the end of June 09 to further explain the project scope and work plan implementation with budget implications to the counterparts. The team also carried out site visits to neighbourhoods that could potentially be targeted for upgrading.</p> <p>A third visit was undertaken to Erbil in the beginning of October to present upgrading options and agree on pilot demonstration house design in the two selected neighbourhoods.</p> <p>A project team meeting was carried out in mid Nov. 2009 in Erbil to follow up on project implementation activities with local consultants as well as a coordination meeting with the local authorities.</p> <p>A subsequent consultation meeting took place in Erbil at the end of March 2010 to discuss results of surveys in the selected neighbourhoods for upgrading and required support from the Governorate.</p> <p>In mid May 2010, a meeting took place in Erbil with stakeholders to discuss micro finance schemes; in addition to reviewing steps and available options for project implementation according to different cases in each pilot location. An action plan was prepared accordingly.</p> <p>Further consultations with the Governor, Deputy Governor and other stakeholders took place in July 2010, August 2010 (with the SC) and in September with MoCH, MMT, Investment Board and Governor to agree on next steps and a change of scope due to lessons learned through the implementation of the pilot neighbourhood upgrading.</p> <p>A workshop was conducted in Erbil, during the period 11-12 Nov. 2010, with high government officials related to housing delivery in KRG. Purpose of the meeting was to introduce the findings of the project up to this stage linking it with the Erbil Housing Strategy, as well as presenting the findings of the institutional capacity assessment carried out.</p> <p>In preparation for official endorsement of the Erbil Housing Strategy by the cabinet of ministers, MoP in KRG was interested in taking the lead in reviewing the Strategy through a task-force composed of main stakeholders concerned with the delivery of housing in KRG.</p> <p>All the consultations are conducted by a joint project team of UN-HABITAT and UNDP.</p>	87%

	<p>A mission was conducted to Erbil in January 24-27 to meet with the governorate of Erbil and project team to discuss the progress of the project and changing situation and requirements.</p> <p>Another mission took place to Erbil during the period 14-17 March to discuss the implementation phase of the neighbourhood upgrading.</p> <p>A mission was conducted from 10-12 May to discuss the stopping of the survey work in one of the upgraded neighbourhoods and ways of moving forward.</p> <p>A meeting was held with the governor of Erbil 1 June to request support for implementing the next part of the project.</p> <p>On 11 August a meeting took place with the Governor to discuss the incident of an armed threat to UN-HABITAT field team leader consultant by a neighbourhood's resident. Furthermore, discussions focused on the way forward in the implementation, and means to ensure security of project staff. (See point 6. and 7. below)</p> <p>On 15 September a meeting took place with the Governor to confirm the progress of the residents' relocation from the illegally occupied government land of the southern part of Kurani Ainakawa neighbourhood, as well as the return of project staff to the neighbourhood within a security guaranteed environment.</p> <p><i>A mission was conducted in November 2011 to Erbil to discuss with the Deputy Governor the status of the project, the obstacles, and actions required to overcome them.</i></p>	
<p>2. Undertake a series of consultations on organizational development and link it to the formulation of the Capacity Development Plan (CDP)</p>	<p>Institutional Mapping completed</p> <p>Findings of the institutional assessment was presented in a meeting with housing sector stakeholders to agree upon a short, medium and long term action plan of reform. This meeting took place 11-12 Nov. 2010 (see above)</p> <p>The capacity development plan is completed.</p>	<p>100%</p>
<p>3. Develop national training courses and seminars Develop Training of Trainers Prepare training courses and study tours outside Iraq.</p>	<p>A study tour was conducted to Istanbul visiting similar cases of upgrading neighbourhoods in slum like situations. (16-20 August 09), number of participants from the governorate side 8 (7 male 1 female). Further training courses will take place once the CDP is formulated.</p> <p>During the workshop which took place 11-12 November 2010 discussions of the Institutional framework and capacity assessment for housing delivery related institutions took place.</p> <p>Discussions and coordination with MoCH is taking place to implement training courses according to the training needs assessment and capacity development plan that has been developed (see above) from one end, and Baghdad MoCH (who will provide training) from the other side. A draft schedule is prepared to further include more stakeholder ministries in the training programme.</p> <p>The training courses started in mid September 2011. The Training and Knowledge Centre (TKC) in MoCH Baghdad, are delivering the courses as had been proposed by UN-HABITAT (as a result of the training needs assessment undertaken earlier). MoCH/KRG is supporting the training by providing venue.</p> <p><i>50 participants, of whom 21 females, were trained. Four courses out of 5 designed were completed. Feedback from the training courses showed limited interest on the part of the ministries and participating staff in Erbil housing related entities. As a result, the deputy minister directed the Training and Knowledge Center (TKC) to suspend the training activities; accordingly the fifth training was</i></p>	<p>95%</p>

	<p><i>cancelled. The final course on GIS training was delivered in mid December 2011.</i></p> <p>On-the-job training on management of change is being implemented for engaged public officials throughout the implementation of the project. A specific training course was recommended in the CPD to be implemented within the project, for which preparations were underway. Due to the limited interest of the participants, implementation of the course was considered untimely and was suspended until confirmation of commitment.</p>	
4. Procure and install Land management equipment and software	This was cancelled. Funds reallocated to neighbourhood upgrading	0%
5. Review current practices and develop a framework for revised partnership approach. (public private partnership)	<p>Municipality Services Coordination Group is set up and has been meeting weekly since June 2010. However, membership and attendance has been fluctuating.</p> <p>A coordination structure for the physical neighbourhood upgrade has been prepared to form a project management team.</p> <p>A phased intervention plan is ready. The budgetary phasing is being prepared in coordination with relevant municipal offices.</p> <p>The actual upgrading work that entails street widening and technical assistance for house upgrading has not started due to the armed assault incident which took place in August 2011 (See point 6 below) and led to stopping the work.</p> <p><i>Recently, UN-HABITAT has been informed that low cost housing schemes will only be handled by MoCH while the Investment Board is not permitted to undertake such schemes.</i></p> <p><i>Accordingly, UN-HABITAT is suggesting other indirect means where private investors can engage in infrastructure development, finance for low cost housing schemes as well as the manufacturing of building materials.</i></p>	50%
6. Prepare designs and plans of improvement and avail them for municipality to implement. Formation of community structures and capacity building for asset management and service delivery	<p>Detailed surveys are complete in the two pilot neighbourhoods to determine size and ownership of housing units, in preparation for slum upgrading and reallocation of inhabitants. Physical survey of one of the two neighbourhoods is complete; master plan for one neighbourhood is finalized and submitted to the project steering committee and the governorate of Erbil in December 2010. The maps indicate requirements for the implementation of improvement in the selected neighbourhoods, accordingly the governorate will be able to allocate necessary budget for the provision of infrastructure and other services.</p> <p>A Housing Facilitation Unit (HFU) has been formed in the concerned communities consisting of technical persons and community workers in order to engage and explain to the community the development process.</p> <p>The HFU team led by national consultants have finalised vital data gathered from the site regarding household plots in order to calculate compensations during the upgrading process. HFU manual completed.</p> <p>1 HFU base has been provided by the governorate.</p> <p>Local consultants supported by assistant architects and social workers (who provided supporting data for the work) have finalised 2 master plans for settlement upgrading and 1 master plan for a resettlement site in consultation with local community and in coordination with local project steering committee.</p> <p>Delays were experienced due to lack of capacity of governorate staff to perform survey tasks, accordingly and upon the Governor's request; UN-HABITAT field team had to undertake the tasks.</p> <p>Surveys and alterations were applied to the master plan and calculations for</p>	95%

	<p>compensations to households that will leave the neighbourhood to a new location</p> <p>There have been delays in submitting the final master plan due to changes requested by the governor which resulted in revising numerous related documents.</p> <p>The project was stopped during April & May 2011 by the governor due to minor protests and general tense situation in the city. The governor requested UNHABITAT staff in the field to close the office and leave the location. Two months later (end June) the governor agreed to reopen our office and resume work after requesting some changes in the master plan of the existing neighbourhood, that eventually caused further delays to the project.</p> <p>An attack by an armed local person (from one of the neighbourhoods) on UN-HABITAT field team leader consultant occurred on 10 August 2011 in front of the field office. The attacker threatened to kill the consultant unless better compensation is awarded to him for evacuating his residence in the illegal area of the neighbourhood. The incident was reported to the security office of UNAMI in Erbil, as well as to the local authorities. This has caused UN-HABITAT and UNDP to stop the upgrading activities until further notice, awaiting assurance that security of staff is guaranteed in the field.</p> <p>Part of the HFU staff continued work inside the UN compound so as to complete the calculations of the master plans for the 2 neighbourhoods</p> <p><i>The team resumed work from the second neighbourhood office while keeping a low profile. Final plans will be completed in early 2012.</i></p>	
<p>7. Incorporate principles of energy efficient housing in the street widening house compensation process.</p>	<p>Energy efficient housing analysis and designs compiled in reports.</p> <p>Consultations among the project team as well as the Governor and Deputy Governor on what could be the most beneficial scheme in implementing this project component taking into consideration the needs and the progress of the project resulted in change of scope of work to engage in neighborhood upgrading through street widening, incorporating environmentally friendly features, allowing for better services to be provided.</p> <p>Among the NGOs with potential partnership possibilities identified through a pre-qualification process, a qualified local NGO (Bright Future Foundation, BFF) was selected by the NGO Review Committee. UNDP supported <i>the proposal development</i>, as a means of capacity development <i>for the NGO, BFF. In August 2011, the micro-grant agreement was signed between UNDP and BFF to support the first phase of the street-widening process. The agreement with BFF was extended to accommodate the changing circumstances of the project.</i></p> <p>The governorate had been hesitant to provide full support to the street widening process as it would involve house relocation that may disturb the residents in the current tense situation, which inevitably caused delays in the implementation of the project.</p> <p>The governorate has finally agreed to support the street widening scheme. This undertaking will be supported technically by HFU (the UNHABITAT team in the field, engineers and social workers) providing architectural and financial advice, working in close cooperation with the local NGO, BFF, that will be responsible for providing grants to the households to implement the demolition/rebuilding of housing components to prepare for street widening and at the same time raise awareness on environmentally friendly features in housing.</p> <p>As the planning work for neighbourhood upgrading in the field has come to a halt due to the security incident mentioned above, UN-HABITAT has agreed with the</p>	<p>60%</p>

	<p>governor that operations on site can not be resumed unless the rate of evacuated illegal houses is 75%. This would reflect the compliance of neighbourhood residents with the governorate compensation scheme, and that the project is moving forward. Only then would UN-HABITAT be able to implement the street widening and upgrading scheme. Moreover, the security situation needs to be assessed to determine whether the HFU office will be reopened in the field. The governor has announced a deadline of 1 November for all illegal settlers to submit their request for compensation and evacuate the premises. The governorate, however, did not state what the situation will be for illegal households who do not evacuate before 1st Nov. 2011.</p> <p><i>Rate of relocation in the illegal part has exceeded 90% yet the governor did not advise the team to return to the office base in Kurani Ainkaw, and the team continues to operate from the base in the second neighborhood. An agreement on the details of implementation for the street widening operations will be finalized during the 1st quarter of 2012 when all illegal and semi legal cases are resolved.</i></p> <p><i>The UN-HABITAT budget originally allocated to implement microfinance strategies and small loan scheme will be used to provide technical support for families affected by street widening who would require rebuilding their sanitary facilities and rooms demolished due to street widening.</i></p>	
<p>8. Provide technical assistance for Municipality to prepare the neighbourhood improvement plan</p>	<p>Periodic meetings organized with the technical staff of Municipal Departments on the neighbourhood improvement preparations. Local technical consultants recruited to coordinate the process and overcome obstacles.</p> <p>The neighbourhood upgrading plan is completed; some changes have been recently introduced and endorsed by counterparts. Next step will be the actual implementation that has been arranged in phases. See point no. 6 above A group of technical coordinators from different stakeholder directorates are working with UNHABITAT field team to support the implementation process of the neighbourhood upgrade on matters related to infrastructure, law, financing and land management.</p>	<p>90%</p>
<p>9. Engage academia and research professionals in project activities to prepare specific research and policy papers Assist Ministry of Municipality in Erbil and Governorate to prepare the conference</p>	<p>The first review meeting, involving stakeholders and academia took place in Nov 2010 (see point #1 above). Participants shared their views regarding housing sector issues, the public institutional framework working on these matters and the private sector.</p> <p><i>A project extension /budget revision has been submitted for approval to SCSO (still waiting for the response). A conference is planned to be held in October 2012 towards the new proposed end date of the project which is December 2012.</i></p>	<p>40%</p>

Qualitative achievements against objectives and results

A number of preparatory activities primarily related to the establishment of project management structures along with the terms of reference have been carried out. These pertain to the:

- 1- Project Steering Committee
- 2- Project Executive Team (PET)
- 3- Housing Facilitation Units (HFU) established in the two pilot neighbourhoods

Specific cumulative achievements of the project include:

- 4- Study tour with the Project Steering Committee conducted to Istanbul to learn about slum-like neighbourhoods upgrading experiences in its vicinity.

- 5- A master plan has been prepared for the two selected neighbourhoods which present a learning exercise on the neighbourhood development process.
- 6- Social and physical surveys conducted in the pilot neighbourhoods to determine the compensation scheme in view of implementing the neighbourhood upgrading plans.
- 7- Analysis for introducing energy efficient housing in the pilot neighbourhoods and energy efficient housing designs compiled in reports.
- 8- A close communication is being established with the community through the work of the HFU. The numerous meetings with the steering committee members in Erbil and elsewhere will ensure smooth implementation and acceptance of beneficiaries and counterparts.
- 9- The HFU team led by UN-HABITAT local staff and UNDP local consultants were able to introduce coordination and raise awareness on the importance of the process amongst government stakeholders responsible for implementation of the infrastructure in the pilot neighbourhood for the first time in Erbil. The project supports upgrading of impoverished neighbourhoods involving community surveys and consultations where total transformation through demolition has been the usual practice.
- A task force was established in response to recommendations of the workshop that took place in November 2010. The taskforce (led by MoP) composed of high level officials from 4 ministries, is tasked with reviewing the Erbil Housing Strategy report (prepared by UN-HABITAT jointly with hosting related stakeholders in Erbil), the revision will result in submitting this document to the council of ministers in KRG for endorsement, making it an official document for planning and budgeting purposes regarding the housing sector. This firm partnership has been consolidated
- 10- Capacities of municipal staff are being built through the joint coordination meetings (training on the job) in preparation for the physical implementation work plan and budgeting.
- 11- High level commitment has been expressed by KRG housing finance related stakeholders particularly in developing the housing sector to respond to the needs of the most vulnerable groups – a result of the strengthened and firm partnerships established with KRG which recognized UN’s commitment and role in supporting the implementation of the Erbil strategy and strengthening local capacities.
- 12- An agreement has been signed with the local NGO to implement the first phase of the street-widening process. The NGO will provide grants to the households for them to be able to implement set-backs of their homes in close cooperation with the HFU. (The NGO is waiting for the HFU office to reopen to be able to initiate their implementation. See point 6. above.)
- 13- *An additional fund from KRG has been allocated to support neighbourhood upgrading activities, thus entailing reallocation of funds to support the additional activities and requiring more time to implement them. The additional funding reflects KRG’s realization of the strategic relevance of this project and its contribution to the development of Erbil city.*

Main implementation constraints & challenges (2-3 sentences)

- The nature of slum upgrading projects with its long implementation duration remains a challenge to convince the local authorities of the importance of capacity building and technical assistance to ensure sustainability of the implementation in comparison with the hard component.
- Phased implementation is a long process, but the governorate’s plans turned out to be quite ambitious regarding the type of upgrading they wish to implement. Accommodating the governorate’s plan within the available funding or the span of the project may remain a challenge.
- Introducing change in existing systems and procedures (within government bureaus) in order to improve the housing delivery has always been a complex and challenging task.
- Obstacles regarding land ownership are a major hurdle to upgrading illegal and semi-legal settlements. This process of negotiations with private land lords to settle the status of tenants that have illegally occupied their land has been time consuming and suffered delays as landlords have continuously changed their requirements.
- Delays were experienced in the neighbourhood upgrading process due to the governorate being occupied with a more urgent project.
- Phasing the implementation by the local authorities in line with this project is a challenge that would require close oversight and coordination with the local authorities.
- The tense situation in Erbil has caused authorities to postpone the street widening process as they want to avoid any disturbance that may increase tension. This is causing serious delays in the implementation.
- The Governor requested to close the HFU in one of the neighbourhoods since the second week of April until further notice. The situation continued through May, and was resolved by the end of June after continued meetings and

discussions with the governor. This has caused considerable delays to the project.

- The HFU office has been shut down one more time starting August 2011 (to date) due to a security incident (attack by an armed resident of one of the neighbourhoods; mentioned in point # 6 above). This is further delaying the progress of work. The delays mentioned above have had a negative effect on the spirit of the field team and the work plan in general. A request for a no cost extension will be submitted to be able deliver the remaining activities that complete the outputs of the project.
- The Governor's intervention to formalize tenure arrangements on semi-legal occupied private land has been pending for almost a year. Without the formalization, street-widening would not be able to be complete, either.
- There is very limited interest within ministries to improve/expand their knowledge let alone learn new directions in the field of housing delivery. This has been identified while implementing the first training courses. Middle and senior level staff were reluctant to attend the courses that were originally targeting their levels. It is still a challenge trying to create a learning environment within the current system.
- *A time extension/budget revision request has been submitted to SCSO to overcome the delays that occurred. The approval for this request is being awaited.*