



UNDG Iraq Trust Fund

GENERIC ANNUAL PROGRAMME¹ NARRATIVE PROGRESS REPORT

REPORTING PERIOD: 1 JANUARY – 31 DECEMBER 2011

Programme Title & Project Number
<ul style="list-style-type: none"> Programme Title: Improving the Housing Delivery System in Erbil Programme Number E-18 MPTF Office Project Reference Number:³ (ATLAS No. 66908)

Country, Locality(s), Thematic/Priority Area(s)²
<i>(if applicable)</i> Country/Region Iraq/ KRG/ Erbil
Thematic/Priority Shelter/Housing

Participating Organization(s)
<ul style="list-style-type: none"> Organizations that have received direct funding from the MPTF Office under this programme UN-Habitat (lead) & UNDP

Implementing Partners
<ul style="list-style-type: none"> National counterparts (government, private, NGOs & others) and other International Organizations Erbil Governorate, Bright Future Foundation (BFF)

Programme/Project Cost (US\$)	
MPTF/JP Contribution: • <i>by Agency</i>	UN-Habitat: \$1,645,547 UNDP : \$1,341,568
Agency Contribution • <i>by Agency (if applicable)</i>	
Government Contribution <i>(if applicable)</i>	\$2,000,000 in-kind
Other Contributions (donors) <i>(if applicable)</i>	
TOTAL:	

Programme Duration	
Overall Duration (<i>months</i>)	48 months
Start Date ⁴	9/12/2008
End Date (or Revised End Date) ⁵	31/12/2012
Operational Closure Date ⁶	31/12/2012
Expected Financial Closure Date	31/12/2013

¹ The term “programme” is used for programmes, joint programmes and projects.

² Strategic Results, as formulated in the Performance Management Plan (PMP) for the PBF; Sector for the UNDG ITF.

³ The MPTF Office Project Reference Number is the same number as the one on the Notification message. It is also referred to “Project ID” on the [MPTF Office GATEWAY](#)

⁴ The start date is the date of the first transfer of the funds from the MPTF Office as Administrative Agent. Transfer date is available on the [MPTF Office GATEWAY](#)

⁵ As per approval by the relevant decision-making body/Steering Committee.

⁶ All activities for which a Participating Organization is responsible under an approved MPTF programme have been completed. Agencies to advise the MPTF Office.

Programme Assessment/Review/Mid-Term Eval.

Assessment/Review - if applicable *please attach*

Yes No Date: *dd.mm.yyyy*

Mid-Term Evaluation Report – if applicable *please attach*

Yes No Date: *dd.mm.yyyy*

Report Submitted By

- Name: [Maha Thabit](#)
- Title: [Project Officer](#)
- Participating Organization (Lead): [UN-Habitat](#)
- Email address: maha.thabit@unhabitat.org

NARRATIVE REPORT FORMAT

I. Purpose

- Provide the main objectives and expected outcomes of the programme.

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. The three inter-linked outcomes of the project are:

1. Improved governorate capacity in implementing the Erbil Housing Strategy.
2. Enhanced slum upgrading and energy efficient housing practices.
3. Disseminated “decentralized housing strategy implementation experience” for replication and further policy and legislative reform.

This is expected to result in the following outputs/deliverables (incorporating the changed scope):

- 1.1 Erbil governorate supported to undertake a gender sensitive organizational development and capacity building needs assessment study of Erbil
 - 1.2 A multi-year Capacity Development Plan (CDP) for institutions in place.
 - 1.3 Improved skills of key personnel (men and women) in identified priority areas housing delivery, land management, slum upgrading, and management of change.
 - 1.4 A framework for Public Private Partnerships in the delivery of low-cost housing developed
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- 2.1 Erbil Governorate supported in development and implementation of undertaking slum improvement schemes in Erbil.
 - 2.2 Low-income housing models incorporating energy efficient and environment friendly construction and design features
 - 2.3 An inclusive and integrated pilot neighbourhood improvement plan available.
 - 2.4 Erbil governorate is supported in implementing pilot neighbourhood improvement plans.
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- 3.1 Documentation of experience and learning from Erbil Housing produced and disseminated for learning and scaling up in other governorates

- Explain how the Programme relates to the applicable Strategic (UN) Planning Framework guiding the operations of the Fund/JP²

The project contributes to Iraq National Development Strategy and to the Millennium Development Goal 7 Target 7.D (By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers); Goal 4.4.1.5.2 of the ICI (“Delivering Basic Services – Improve access to housing by 15%), and; Pillar 3 of the NDS: (“Improving the quality of Life – Increasing affordable housing units through housing finance facilities”).

II. Resources

Financial Resources:

- Provide information on other funding resources available to the project, if applicable. Please refer to information on the [Annual Reporting Cover Page](#).

Governorate of Erbil is contributing \$2,000,000 (in-kind) as per the project document. Currently, the contribution has increased to reflect a further contribution of US\$ 2.75 million to upgraded settlement,

and US\$ 3.73 million to a new resettlement site. The total is thus US\$ 6.5 million. Execution of these services will continue throughout 2012 and 2013.

- Provide details on any budget revisions approved by the appropriate decision-making body, if applicable.

First budget revision resulted in extending the project duration till 31 December 2011.

Second budget revision resulted in extending the project till 31 December 2012

- Provide information on good practices and constraints related to the management of the financial aspects of implementing the programme, including receipt of transfers, administrative bottlenecks and/or other issues affecting the financial management of the programme.

UN-Habitat Iraq Programme and UNDP Iraq follow and apply 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 and UNDP Iraq have administrative responsibilities. UN-Habitat and UNDP Iraq establish separate accounts for individual projects and funds and operates the financial transactions under the auspices of the United Nations Office in Nairobi (UNON) for UN-Habitat Iraq Programme and the UNDP HQ for UNDP Iraq, by whom all financial transactions are approved and financial statements are certified. 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 a 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 and UNDP Iraq explore best practices in undertaking its financial activities by discussing operational issues with other UN agencies at the Operations Management Team Meetings (OMT). Best practices and operational issues are discussed and explored with other UN agencies, bilaterally.

Human Resources:

- National Staff: Provide details on the number and type (operation/programme).

UN-Habitat

2 National Staff - Programme (part time, Amman based)

1 National Staff – Operations (part time, Amman based)

3 National Consultants – Programme (1 full time, 2 part time, Erbil based)

UNDP

1 National Staff - Programme (part time, Amman based)

Other programme and operational staff support the project as needed

- International Staff: Provide details on the number and type (operation/programme)

UN-Habitat

1 International Staff – Programme (part time, Amman Based)

1 International Staff – Operations (part time, Amman Based)

2 International experts – Programme (part time)

UNDP

1 International Staff – Programme (part time, Amman based)

Other programme and operational staff support the project as needed

III. Implementation and Monitoring Arrangements

- Summarize the implementation mechanisms primarily utilized and how they are adapted to achieve maximum impact given the operating context.

UNDP: Direct execution modality is used for overall project implementation. In order to expedite the prolonged implementation process at the same time as to ensure appropriate authorization of the output, UNDP has used a national execution modality for implementing a component of the project, the total station based survey of the neighborhood in which a pilot initiative for neighborhood upgrading is being implemented as part of the project. Site monitoring is realized by UN-Habitat's local lead consultant through close coordination. A partnership with a local NGO was established for on-site implementation.

UN-Habitat: A local lead consultant coordinated the information gathering exercises through a team of field based junior consultants working daily from on-site project office. The local lead consultant also liaised with officials in the Erbil governorate office. Expert advice was brought in by 2 international consultants, and through the balance of global expertise, local knowledge and strong community presence. Furthermore, through building on the strong relationships forged over 10 years between UN-Habitat and Governorate officials, where maximum impact had been achieved, given the operating context. A second national consultant worked on another aspect of the project which is the institutional assessment, meeting with relevant staff from housing related institutes efforts were coordinated with the international consultant in charge of the assessment.

- Provide details on the procurement procedures utilized and explain variances in standard procedures. UN-Habitat: 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 (UN-Habitat). For procurement of all international goods, services and works, the United Nations in Nairobi (UNON) reviews, authorizes, and monitors all contracting and financial transactions (UN-Habitat). Procurement of all services, which entail contracting of personnel are processed centrally at UN-Habitat Headquarters.

UNDP Iraq follows the Financial Regulation and Rules (FRR) and the Procurement Manual which provides the framework to carry out procurement processes. The following bullets serve as guiding principles within the procurement process at UNDP Iraq. These principles are: Best value for money; Fairness, integrity, transparency; Effective international competition. UNDP has two primary documents, the Financial Regulations and Rules and Procurement Manual, which specify solicitation procedures for supply of goods, services, or works, including appropriate methods for evaluating and selecting awardees and possible contracts. These documents also indicate which conditions justify waiving the competitive tendering process or direct contracting. Further, in order to ensure compliance with UNDP regulations, rules, policies and procedures, all procurement activities are subject to a review and approval process prior to an award of a procurement contract. In summary UNDP-Iraq Procurement Unit follows the rules and regulations and there is no variance in standard procedures.

- Provide details on the monitoring system(s) that are being used and how you identify and incorporate lessons learned into the ongoing programme, including corrective actions that may have been taken.

Monitoring systems include monthly reports from Field Officers, regular project reports from lead national and international consultants. In addition to this, monthly internal team meetings take place in order to discuss project updates, bottlenecks, lessons learnt and possibility of benefiting from other ongoing projects avoiding duplication and/or overlap.

Frequent missions and communication with our local project officers and partners, as well as visiting the project sites have served as the main means of monitoring the project. With good intentions, lessons learned and related change of scope have been incorporated through discussions with the project team

and local counterparts as well as research on global practices and agency policies deriving from the lessons learned through the practices. This has led more towards meeting the local processes and interests, although sometimes at the sacrifice of the project's original design and intended outputs. This in itself has been a lessons learned on communication with counterparts and project/programme management.

- Report on any assessments, evaluations or studies undertaken.
- Draft physical and social surveys of the target settlements for slum upgrading are completed.
- Two master plans for settlement upgrading are finalized.
- Master plan has been completed and approved for a new settlement site for accommodating relocated households from the upgraded site (neighborhood).
- The pilot project of settlement upgrading has started.
- An institutional capacity assessment was undertaken regarding housing delivery related governmental ministries. The assessments served as guiding principle and necessary background information that will guide the proposed upgrading process.

IV. Results

- Provide a summary of Programme progress in relation to planned outcomes (strategic results with reference to the relevant indicator) and outputs; explain any variance in achieved versus planned outputs during the reporting period.
 - Surveys completed of pilot neighborhoods intended for upgrading.
 - Additional detailed surveys were requested by the governorate to be undertaken by the local team.
 - Infrastructure works for the new relocation site is taking place. Coordination between different infrastructure directorates has been a real challenge.
 - The master plans and the upgrading processes for neighborhoods are complete. The main pilot settlement upgrading project is officially approved by relevant directorates. Implementation has been delayed for months due to unresolved cases of illegal households who refuse to evacuate the premises to make way for new development and upgrade. The Governorate is still engaged in resolving this issue.
 - The pilot project of settlement upgrading (that is being implemented under this project) is introducing new principles and approaches to settlement upgrading, the government counterparts sensing the positive results are considering a change in their usual terms of dealing with similar issues.
 - Agreement reached with a microfinance national NGO to undertake grant disbursement to houses affected by street widening. The same NGO will be supporting the households who are willing to cooperate with loans for incremental upgrade of their houses.
- Report on the key outputs achieved in the reporting period, including the number and nature of the activities (inputs), outputs and outcomes, with percentages of completion and beneficiaries.

Outcome 1: Improved Governorate capacity to implement the Erbil Housing Strategy:

Outputs:

- 1.1. Erbil governorate supported to undertake a gender sensitive organizational development and capacity building needs assessment study of Erbil (**100% achieved**)
- 1.2. A multi-year Capacity Development Plan (CDP) for institutions in place. (**100% achieved**)
- 1.3. Improved skills of key personnel (men and women) in identified priority areas housing delivery, land management, slum upgrading, and management of change.
 - Training took place after agreeing on the training modules with counterpart ministries. Results showed limited interest of participants; senior ones did not attend. One module was cancelled out of 5 due to low attendance rate. (**95% achieved**)

- A workshop was held to raise awareness of main stakeholders in the housing sector on new roles and responsibilities according to the Erbil Housing Strategy report. **(95% achieved)**

1.4.A framework for Public Private Partnerships in the delivery of low-cost housing developed.

- UN-Habitat went through the process of developing a low cost housing finance scheme in coordination with the investment board (IB) which is the entity dealing with private developers and investors.)The IB declared it will not be involved in the housing sector. 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.
- An agreement with a local NGO to support microfinance activities in the neighborhood upgrading process is in place; implementation is pending governorate resolution of pending issues. (50% achieved)

Outcome 2: To enhance slum upgrading and energy efficient housing practices.

Outputs:

2.1 Erbil Governorate supported in development and implementation of undertaking slum improvement schemes in Erbil.

- Master plans for the first neighborhood is completed and approved. The second one is in its final development stages. The design underwent many changes upon request of governorate office. The process for developing the master plans involved coordination with different directorates concerned with service provision; the exercise was challenging due to the fact that the government staff were not accustomed to information sharing to align their work with a master plan. It was a learning process. **(95% achieved)**

2.2 Low-income housing models incorporating energy efficient and environment friendly construction and design features.

- This output will be reflected through the activity of street widening for neighborhood upgrading to provide better services and environmentally friendly practices. Reports on energy efficient and environmentally friendly housing and design features were completed and preliminary surveys were undertaken to estimate needs and scope of work. Everything is in place to start the implementation pending the governorate green light to do so. **(20% achieved)**

2.3 An inclusive and integrated pilot neighborhood improvement plan available.

- Master plans for two neighborhoods finalized. The first one is officially approved and the second one is in its final stages. **(99% achieved)**

2.4 Erbil governorate is supported in implementing pilot neighborhood improvement plans.

- A pilot neighborhood improvement master plan has been prepared. The actual implementation has been delayed because operations were halted by UN team working in the site. (Explained in the following section). The actual physical implementation will start in coordination with government directorates who will provide infrastructure. **(60% achieved)**

Outcome 3: To widely disseminate “decentralized housing strategy implementation experience” for replication and further policy and legislative reform.

Outputs:

3.1 Documentation of experience and learning from Erbil Housing produced and disseminated for learning and scaling up in other governorates.

- The activity will take place at the end of the project. (0% achieved)

The project introduced coordination and raised awareness on the importance of the process amongst government stakeholders responsible for implementation of infrastructure in the pilot neighborhood for

the first time in the Erbil. The project supports upgrading of impoverished neighborhoods involving community surveys and consultations where total transformation through demolition has been the usual practice. The introduction of a site unit comprising of a group of technical staff and female social workers trained from the neighborhood to facilitate engagement with households, this practice proved effective and the government welcomed the adoption of such a unit within its structure.

- Explain, if relevant, delays in programme implementation, the nature of the constraints, actions taken to mitigate future delays and lessons learned in the process.
- The tense situation in Erbil has caused authorities to postpone the street widening process (part of the settlement upgrading plan) 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 neighborhoods since the second week of April 2011 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 a second time starting August 2011 (to date March 2012) due to a security incident (attack by an armed resident of one of the neighborhoods). This has further delayed 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 has been requested and approved in order to be able to 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. It is hoped to see some serious resolutions to this issue by early 2012.
- List the key partnerships and collaborations, and explain how such relationships impact on the achievement of results.

Key partnership is between UN-Habitat and UNDP. UN-Habitat is able to apply its expertise in institutional capacity development, housing, urban development and slum upgrading. This is complemented by UNDP's expertise in local area development planning, loan facilitation, private sector development and environmentally sustainable practices. Through such partnership, it has been possible to implement a rich programme of support for the Governorate of Erbil.

- Other highlights and cross-cutting issues pertinent to the results being reported on.
- The pilot neighborhood upgrading project sites have established Housing Facilitation Units (HFU), comprised of local architects, and selected women from the neighborhood: Local Facilitation Unit (LFU) women serve as the communication channel between the neighborhood's community and the work of the HFU in the neighborhood. This establishment not only provides the LFU women with an income, but also a voice for all the women (and thus their families) of the community in the neighborhood upgrading process. It is an important lesson to note that no upgrading can be implemented without the involvement of women from the same locality, providing access and facilitation for communication between the technical team and the households.
- Another dimension of upgrading is introducing the concept of adequate housing through the technical advice provided by the HFU field team to houses subject to improvements through the street widening process where access to services will be improved as well as better services inside the house and quality control on construction is availed.
- UNDP's component of the project focuses on environmental awareness raising through demonstration housings. A report on energy efficient housing and another on energy efficient housing designs have been compiled as planned in 2009. Although the focus on the environmental aspects has been "diluted" in the course of implementation due to the change of scope, there are efforts to re-incorporate it within the change of scope.

- Provide an assessment of the programme based on performance indicators as per approved programme document using the template in Section VI, providing clear evidence on the linkages of outputs and outcomes achieved, if applicable.
- Qualitative assessment of overall achievement with reference to the applicable strategic results indicator.
 - A master plan has been prepared for the two selected neighbourhoods which present a learning exercise on the neighbourhood development process.
 - Social and physical surveys have been continuously conducted in the pilot neighbourhoods to determine the compensation scheme in view of implementing the neighbourhood upgrading plans.
 - 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 ensured smooth implementation and acceptance of beneficiaries and counterparts.
 - The HFU team led by UN-Habitat local staff and consultants was able to introduce coordination and raise awareness on the importance of the process amongst government stakeholders who are responsible for implementation of the infrastructure in the pilot neighborhood for the first time in Erbil. The project supports upgrading of impoverished neighborhoods 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, which is led by MoP and is comprised of high level officials from 4 ministries, is tasked with reviewing the Erbil Housing Strategy Report that was prepared by UN-Habitat jointly with housing related stakeholders in Erbil. The revision of the Strategy will result in submitting the document to the council of ministers in KRG for endorsement, thus making it an official document for planning and budgeting purposes regarding the housing sector. This firm partnership has been consolidated.
 - Capacities of municipal staff are being built through the joint coordination meetings (on the job training) in preparation for the physical implementation work plan and budgeting.
 - 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.
 - 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 enabling them to implement setbacks 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.)
 - 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.

V. Future Work Plan (if applicable)

- Summarize the projected activities and expenditures for the following reporting period (1 January-31 December 2012), using the lessons learned during the previous reporting period, including outputs that were not achieved in 2011.
Implementation of the street widening scheme jointly with UNDP and NGO partner (BFF).
- Indicate any major adjustments in strategies, targets or key outcomes and outputs planned in 2012.

