



**UNITED NATIONS DEVELOPMENT GROUP
IRAQ TRUST FUND**

Programme Cover Page

Participating UN Organisation(s):

UN-HABITAT (Lead Agency), UNDP

Sector Outcome Team(s):

Shelter and Housing

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Programme/Project Title:

Improving the Housing Delivery System in Erbil

Programme/Project Number:

E4-15

Programme/Project Description:

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. UNDP and UN-HABITAT propose to implement a project to improve the housing delivery system in Erbil to respond to some of the above-mentioned challenges within the framework of the Erbil Housing Strategy and in support of the Housing & Shelter Sector Outcome "Improved Delivery Systems for Housing and Shelter". The project will have three inter-linked Outcomes:

1. Improved Governorate capacity to implement the Erbil Housing Strategy
2. Enhanced slum upgrading and energy efficient housing practices
3. Decentralized housing strategy implementation experience widely disseminated for replication and further policy and legislative reform.

Programme/Project Costs:

UNDG ITF:	\$2,987,115
Govt. Contribution:	\$2,000,000 (to be administered by the KRG)
Agency Core: (UNDP)	\$100,000
Other:	
TOTAL:	\$5,087,115

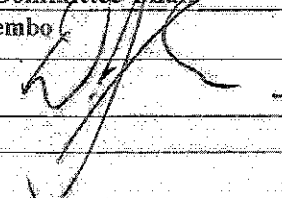

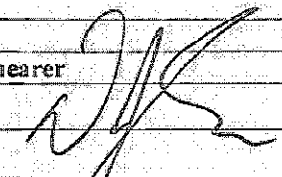
Programme/Project Location:

Governorate(s):	Erbil
District(s):	Erbil
Town(s)	Erbil

Govt of Iraq Line Ministry Responsible: Ministry of Municipalities and Public Works –KRG	Programme/Project Duration: Total # of months: 24 Expected Start date: 01 December 2008 Expected End date: 30 November 2010
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Review & Approval Dates	
Line Ministry Endorsement Letter:	8/09/2008
Concept Note Approval Date:	24/09/2008
SOT Approval Date:	08/10/2008
Peer Group Review Date:	27 November 2008
ISRB Approval Date:	03 December 2008
Steering Committee Approval Date:	04 December 2008

Signatures of Agencies and Steering Committee Chair

I.	Name of Representative	Paolo Lembo
	Signature	
	Name of Agency	UNDP
	Date	
II.	Name of Representative	Sudipto Mukerjee
	Signature	
	Name of Agency	UN HABITAT
	Date	04/12/2008
III.	Name of Steering Committee Chair	David Shearer
	Signature	
	Date	

National priority or goals (NDS 2007- 2010 and ICI):

NDS: Goal 7: Decent Housing for All

ICI: 4.4.1.5.2: Delivering Basic Services: Improve access to housing by 15%

Sector Team Outcome(s):

I: Improved Housing Delivery System

Integrated Programme/Project Outcome(s):

1. Improved Governorate capacity to implement the Erbil Housing Strategy
2. Enhanced slum upgrading and energy efficient housing practices
3. Decentralized housing strategy implementation experience widely disseminated for replication and further policy and legislative reform

5. Review by Peer Group

Date of Review: 27 November 2008

Provide comments on:

- Inter-Sector Outcome Team coordination
- Best management and implementation practices
- Location specific synergy
- Relevance to the ICI and Bari criteria (joint programming, co-financing, capacity development and technical support)

The Peer Group felt it was a relevant and timely initiative and endorsed the project without comments.

To be completed by the Steering Committee Support Office

6. Decision of the Iraqi Strategic Review Board

Date of decision: 03 December 2008

- Approved for a total budget of \$5,087,115 (\$2,987,115 ITF + \$2 mill. KRG + \$100,000 UNDP)
- Approved with modifications/conditions
- Rejected

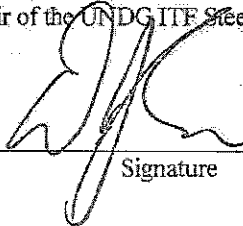
7. Decision of the UNDG ITF Steering Committee

Date of decision: 04 December 2008

- Approved for a total budget of \$5,087,115 (\$2,987,296 ITF + \$2 mill. KRG + \$100,000 UNDP)
- Approved with modifications/conditions
- Rejected

Reason/ Comments

David Shearer, DSRSG
Chair of the UNDG ITF Steering Committee



Signature

4.12.2008

Date

**Detailed Breakdown of Budget by Source of Funds and
Distribution of Programme Budget by Participating UN Organisation**

Participating UN Organisation	Portion from ITF Budget (US \$)
UN HABITAT (Lead Agency)	\$1,645,547
UNDP	\$ 1,341,568
Total ITF Budget (US \$)	\$2,987,115

Total budget (in US \$):	\$ 5,087,000
Sources:	
• Government	\$ 2,000,000
• ITF (earmarked) Korea	\$ 2,987,115
• ITF (unearmarked)	\$ _____
<u>UN Core/non-core sources</u>	
• UN Org (specify: UNDP)	\$ 100,000 _____
• UN Org (specify:)	\$ _____
• UN Org (specify:)	\$ _____
• UN Org (specify:)	\$ _____
• UN Org (specify:)	\$ _____

1. Executive Summary

The housing sector in Iraq suffers from major deficiencies. Acute infrastructure problems coupled with dilapidated housing conditions have created slum-like conditions in much of Iraq's cities. The Government of Iraq has initiated actions towards longer term sector reform, yet quick actions are critical to ameliorate the sufferings of the large number of poor households who presently occupy substandard housing vulnerable to structural breakdown and are lacking basic services and security of tenure. In Erbil City, despite the relative security and stability of the past years, the housing situation has reached a critical point. Unless urgent measures are taken to accelerate the supply of housing, in particular for the poorer segments of the population, to meet the growing demand, Erbil City will see a breakdown in urban services coupled with large scale proliferation of slums and illegal land and housing development.

UN-HABITAT has been assisting with the development of a multi-year Housing Strategy for Erbil Governorate. The Strategy, which was completed in June 2008, recommends multi-pronged actions and provides blueprints for programmes and projects to improve the performance of the housing sector in the Governorate and particularly in Erbil City. UNDP and UN-HABITAT now propose to implement a project to improve the housing delivery system in Erbil that would help to quickly respond to some of the above-mentioned challenges within the framework of the Erbil Housing Strategy and in support of the Sector Team Outcome: Improved Housing Delivery System.

The project has three inter-linked outcomes:

1. Improved Governorate capacity to implement the Erbil Housing Strategy
2. Enhanced slum upgrading and energy efficient housing practices
3. Decentralized housing strategy implementation experience widely disseminated for replication and further policy and legislative reform

This is expected to result in the following outputs/deliverables:

- A comprehensive organizational development and capacity building needs assessment study of relevant institutions at Erbil Governorate and Erbil Municipal level, followed by a multi-year Capacity Development Plan (CDP) and resulting in a critical mass of key personnel with improved skills in identified priority areas, supported by an improved and state of the art Electronic Data Processing (EDP) infrastructure
- A framework for Public Private Partnerships in the delivery of low cost energy efficient housing and the sustainable management of infrastructure assets and service delivery
- Pilot/demonstration innovative approaches to energy efficient housing in slum upgrading in public private partnerships, community participation, land regularization and redevelopment, energy efficient designs and construction technologies, sustainable management of infrastructure assets and service delivery, microfinance strategies related to slum upgrading, etc.
- An inclusive and integrated pilot neighborhood improvement plan prepared
- A series of documents and policy papers codifying the experience of implementing the Erbil Housing Strategy and the pilot project and disseminated through a Housing Delivery Conference in Erbil at the end of the project

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"). The project is compliant with the Paris Declaration on Aid Effectiveness and adheres to CEDAW Article 14 (h) concerning the right of women "to enjoy adequate living conditions, particularly in relation to housing, sanitation, electricity and water supply, transport and communications".

The main organizations and institutions that will contribute to the achievement of the project and the Housing & Shelter Outcome are the UN agencies UNDP and UN-HABITAT, the Ministry of Construction and Housing (MoCH) of the Government of Iraq (GoI), the Ministry of Municipalities and Public Works of

the Kurdistan Regional Government (KRG), Erbil Governorate and relevant Technical Directorates, Erbil Municipality, and the INGO CHF-International as well as other international and national NGOs.

2. Situation Analysis¹

The housing sector in Iraq suffers from major deficiencies, including a substantial shortfall in the availability of housing (estimated at 1.27 million units over the next decade); an obsolete and ineffective housing delivery system; an inefficient and limited subsidy system; and an outdated and a non-functional policy and institutional framework. The construction and building materials industry lacks capacity and modern technical and managerial features. This is compounded by inappropriate land and infrastructure policies and delivery systems; restrictive, centralized, and non-inclusive planning regimes; as well as a widespread lack of housing finance for new construction or refurbishment/expansion of existing housing units.

In recent times, widespread displacements have added other complexities that include violation of housing, land and property rights and lack of protection from forced eviction. According to UNHCR monitor, the majority (60%, 152,123 families) of internally displaced live in rental accommodation. These accommodations are mostly in very dilapidated conditions and lacking basic services and amenities. Acute infrastructure problems coupled with dilapidated housing conditions have created slum-like conditions in much of Iraq's cities.

The Government of Iraq (GoI) recognizes the urgency to undertake housing reforms under the main goal of providing access to adequate housing for all. With UN technical assistance and capacity development support, the government has initiated actions towards longer term sector reforms: Work has commenced on the formulation of a National Housing Policy. Pilot initiatives to develop governorate level housing strategies are under way. A Knowledge and Training Centre has been established in the Ministry of Construction and Housing (MoCH) and is being strengthened to provide large scale and state of the art capacity building within the country. A Housing Market Study has been completed and is an important information base for policy development. Initial feasibility studies to look at expanding the reach of the Housing Fund and address local level constraints to housing supply are also ongoing. Yet all of these efforts collectively will fall short of meeting the ever growing housing crises quickly and effectively. Therefore while reform efforts continue, quick actions are critical to ameliorate the sufferings of the large number of poor households who presently occupy substandard housing vulnerable to structural breakdown and are lacking basic services and security of tenure.

The city of Erbil, capital of Erbil Governorate and seat of the Kurdistan Regional Government (KRG), is growing at a rapid pace and currently stands at approximately 800,000. The natural population growth exceeds 5% and this, associated with a large volume of in-migration of Iraqis from other parts of the country or returning from other countries, has added pressure to the already weak housing delivery system and dilapidated urban infrastructure and services, and consequently to the overall quality of life in Erbil.

In 2007, based on estimated figures, 138,577 families were occupying 126,530 dwelling units, which is equivalent to 1.1 families per dwelling unit. The average family size is 5.72, which means an average household size per dwelling unit of 6.29 persons. Almost half of the dwelling units are built on plots smaller than the standard minimum of 200 square meters, whereas 36% are smaller than 150 square meters. One reason for this is that plots are frequently subdivided (more than 60,000 according to estimates²) with the owner selling part of it to finance the construction of his house. The local authorities approve these subdivisions and grant building permits despite this not being part of the master plan. While this helps to meet the immediate housing demand to some extent, parts of the city have become increasingly overcrowded, putting a strain on existing urban infrastructure and services that are designed for much lower population densities.

¹ Information and data in this section mainly taken from: Iraq Shelter & Housing Sector Strategy, UNCT Sector Outcome Team on Housing, 2008; Proceedings Iraq Housing Sector Analysis & Policy Directions Workshop, Amman, Jordan, December 6-7, 2006, UN HABITAT; Summary Report, Housing Strategy Meeting, 20-21 April 2008, UN-HABITAT; and Strengthening the Housing Sector – Erbil Report, UN-HABITAT.

² UN-HABITAT and Governorate of Erbil Housing Sector Surveys in 2008 (un-published report)

Over the past three years, the KRG distributed 60,000 land plots of different sizes in order to alleviate the growing population pressure. This is in addition to approximately 80,000 previously existing plots. However, recent surveys³ indicate that only 30% of these have so far been developed, i.e. approximately 47,000.

The KRG has introduced a form of public private partnership for residential development whereby larger parcels of land have been granted to private developers to build gated communities. In addition, the Government is committed to expand networks of community infrastructure such as water supply, sanitation, access roads and electricity. However, prices charged by private developers are escalating far beyond the means of the majority of the population, 60% of which have an average family income of US\$ 450 or less per month and 30% less than US\$ 300 per month. With land prices in the city ranging from US\$ 141 to US\$ 405 per square meter and building costs per square meter ranging between US\$ 133 and US\$ 320, it is clear that many lower income households are left with no option but to reside in overcrowded conditions as tenants in deteriorated areas, such as Khanqaah, Arab and Tajeel. Even rented dwellings, which make up almost 25% of the total housing stock, are out of reach for most as monthly rents range from US\$ 120 to US\$ 1,200. It is therefore not surprising that up to 14,000 families are living in shared houses.

Moreover, there has been virtually no housing finance available for the past 20 years. The existing banking system has been unable to offer housing finance due to very short lending periods (up to one year), very high interest rates, and very limited funding available for lending in the first place. Without Government intervention and subsidies, there is little scope for providing affordable housing finance and even this option is hardly realistic due to the large proportion of households that are in need of such support.

Unless urgent measures are taken to accelerate the supply of housing, in particular for the poorer segments of the population, to meet the growing demand, Erbil City will see a breakdown in urban services coupled with large scale proliferation of slums and illegal land and housing development.

UN-HABITAT has assisted Erbil Governorate in the development of a multi-year Housing Strategy. The Strategy, which was completed in August 2008, recommends multi-pronged actions and provides blueprints for programmes and projects to improve the performance of the housing sector in the Governorate and particularly in Erbil City. Major elements of the Strategy include:

- 1) **Target households** – meeting their housing needs will be the main priority in the strategy
- 2) **Access to Land** – how and by whom, and in which locations land will be identified, developed and made available to the target households
- 3) **Access to Housing** – how and by whom, and what types of housing will be designed, constructed and made available to the target households
- 4) **Access to Finance** – how and by whom, and on what terms and conditions finance will be made available to the target households
- 5) **Processes** – detailing the different processes of eligibility, application, selection, allocation and prioritization that shall apply to the target households to access land, housing and finance
- 6) **Projects** – that can demonstrate and act as learning experiments for private sector engagement in housing development as well as for participatory slum upgrading using the recommended processes

As part of this assistance, UN-HABITAT organized a multi-stakeholder consultation in Erbil in February 2008, which concluded that:

- a) The existing land management system is not geared to respond to the growing needs
- b) Existing models of Public Private Partnerships need to be rationalized to not only reach the intended beneficiary households, but also for inner city redevelopment programmes

³ Ibid.

- c) A housing finance/microfinance system is urgently needed
- d) Applications of cost effective designs and technologies, both for housing development and infrastructure provision, are necessary to accelerate housing supply and reduce environmental costs of development

UNDP and UN-HABITAT therefore propose to implement a project to improve the housing delivery system in Erbil that would help to quickly respond to some of the above-mentioned challenges within the framework of the Erbil Housing Strategy.

3. Lessons Learned, NDS and ICI Relevance, Cross-Cutting Issues, and Agency Experience in Iraq/in the Sector

3.1 Background/Context

By improving the housing delivery system in Erbil, the project directly contributes to Millennium Development Goal (MDG) 7, Target 7.D: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers. This also corresponds to goal 4.4.1.5.2 of the International Compact with Iraq: "Delivering Basic Services: Improve access to housing by 15%. The project will also contribute to Pillar 3 of the National Development Strategy (2007-2010): "Improving the quality of Life – Increasing affordable housing units through housing finance facilities".

Specific targets and indicative actions encapsulated in the NDS and ICI include the following:

1. By the year 2020 ensure a significant improvement in the lives of slum dwellers.
2. By 2009, formulate and adopt a National Housing and Land Management Policy and address norms and standards for construction, as well as for land tenure, property rights and use of public lands and holdings (Priority Action).
3. By end 2009, MoCH to operationalize a Housing Market Information System at national and sub-national levels.
4. By end 2010, develop land management and planning capacities at governorate levels and set a plan for availing developable land with infrastructure (roads, water supply, sewerage, electricity) and community facilities (schools, dispensaries, shopping space, nurseries) and expand access to market rate housing finance (Priority Action).
5. By end 2010, restructure the Iraq Housing Fund to be governorate and community-based providing micro and small, sequential loans to low-income households for incremental housing construction and disburse loans to at least 20,000 poor and low income households, particularly supporting vulnerable groups such as IDPs, refugees, stateless, returnees and other disadvantaged social categories.

By closely aligning the project outcomes and interventions with the NDS and ICI and supporting the KRG in implementing Governorate level housing strategies, the project is fully compliant with the Paris Declaration on Aid Effectiveness, to which Iraq has become a signatory partner on 30 May 2008. It also adheres to the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), in particular to Article 14 (h) concerning the right of women "to enjoy adequate living conditions, particularly in relation to housing, sanitation, electricity and water supply, transport and communications". It will also work towards ensuring housing rights for Iraqi population in line with Human Rights conventions.

The main organizations and institutions that will contribute to the achievement of the project and consequently to the Sector Team Outcome "Improved Delivery Systems for Housing and Shelter" are the UN agencies UNDP and UN-HABITAT, the Ministry of Construction and Housing (MoCH) of the Government of Iraq (GoI), the Ministry of Public Works and Housing (MoPWH) of the Kurdistan Regional Government (KRG), Erbil Governorate and relevant Technical Directorates, Erbil Municipality, and the INGO CHF-International.

3.2 Lessons Learned

In general, effective timing of interventions, consultative planning, and collaboration among UN and other International Agencies and GoI counterparts helps to take full advantage of different agency mandates and expertise in supporting the achievement of programme and project objectives.

The following specific lessons learned are relevant:

- Land management, allocation and servicing present great challenge to housing delivery in Iraq. Legal and institutional reform in land management is *condicio sine qua non* to ensure any improvement in the housing sector, and this in turn cannot be isolated from the need to regularly update city development plans and resolve boundary conflicts;
- Current housing institutions are highly centralized and dominated by classical engineers with limited market orientation and with limited vision towards the future of the housing sector. This requires serious attention from projects by engaging them in participatory discussion leading to a better and more consistent understanding of key sector challenges, such as the obstacles to active participation of the private sector in housing delivery.
- Lack of reliable statistics poses a critical problem for taking any well informed policy decision. Increasing reliance on rapid surveys or studies that do not provide a complete national picture necessitates the establishment of an efficient information system for housing and urban development. The recently completed Housing Market Study presents a comprehensive assessment of the current situation and forms a basis for establishing a housing information system.
- There is a need to reform the building and construction sector, quality assurance and legal framework to enable more investment in this sector. These can be best attained by piloting projects that serve as learning catalyst for private sector participation, particularly in developing housing in slum upgrading contexts.

The project design draws from the above lessons. It will assist the governorate to establish effective and automated land management system. It will build capacity for better planning and programming public private partnerships in housing delivery to ensure maximum benefit for the population. It will document and codify experiences and assist in building the governorate housing sector assessment. Moreover, it will develop a pilot demonstration project for energy efficient housing in slum upgrading that will be a learning catalyst for private sector involvement and micro-finance expansion.

3.3 Assessment of Cross-Cutting Issues

Human Rights: The project, in contributing to improving the housing delivery system in Erbil, in particular for the poorer segments of the population, addresses Article 25 (1) of the Universal Declaration of Human Rights, which states: “Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control”. The inadequacy of affordable housing and services in Erbil makes this project therefore a priority from a human rights perspective.

Gender Equality: In addition to the reference to CEDAW Article 14(h) in section 4.1, it should be mentioned that the vast majority of women in Iraq spend a much larger part of the day in and around the house than man, reflecting the traditionally different roles of man and women in Iraqi society in that women are the main (and often sole) party responsible for childrearing, housekeeping and related work in and around the house. Inadequate housing conditions and urban services therefore particularly affect women negatively in many ways, including in terms of poor sanitary conditions for children, time-consuming chores such as fetching water, and possible negative reactions towards women from male members of the family who may partly blame the women for poor living conditions. The housing designs developed through the project will consider providing favorable indoor environment for female-headed households. Female-headed-households will be given priority in selection of project beneficiaries. The project will also help alleviate these conditions and potentially free up more time for women to engage in income-generating and other empowering activities.

Key Environmental Issues: The increasing overcrowding of residential areas, slum formation and inadequacy of urban services have a wide range of negative consequences for the environment, including: inadequate garbage and wastewater disposal; widespread use of pit latrines potentially contaminating groundwater and other water resources; traffic congestion, and so forth. Supporting the implementation of the Erbil Housing Strategy through governorate capacity building and pilot demonstration projects will help address these environmental concerns. Moreover, low-cost energy efficient designs and construction techniques both for housing and community social infrastructure development will be introduced under the pilot projects, which should result in less usage of fuel and therefore less emissions of CO² and other greenhouse and toxic gases and particles.

Employment Generation: While not directly contributing to employment generation, it can be expected that improving the housing delivery system in Erbil, including better access of the population to housing finance and improved urban services, as envisaged under the Erbil Housing Strategy, will result in accelerated construction activities of individuals as well as construction firms. This, in turn, will stimulate employment generation for construction workers, electricians, plumbers, painters and a host of other trades related to housing construction. Increased investment in urban services will also create employment although at this stage it is not possible to estimate the full employment generation effect of the project. The project is expected to generate 1324 days of employment and indirect employment of 10,000 days in slum improvement activities.

3.4 Agency Experience in Iraq / in the Sector

UN-HABITAT:

The United Nations Human Settlements Programme (UN-HABITAT) is the lead UN Agency for Cities and Human Settlements. The basic framework for UN-HABITAT's work is laid down in the Habitat Agenda adopted by all Member States of the United Nations in June 1996. The Habitat Agenda commits Governments to the twin goals of 'adequate shelter for all' and 'sustainable human settlements development'.

UN-HABITAT brings a wealth of experience and expertise to support the reconstruction of Iraq's cities and related policy reforms, including:

- Wide ranging local government and planning experience in the Arab States, with ongoing operations in Morocco, Libya, Sudan, Somalia, and Egypt, involving a rich network of experts;
- Extensive experience in post-conflict reconstruction in Angola, Afghanistan, East Timor, Kosovo, Mozambique, Rwanda and Somalia;
- Comprehensive and holistic approaches to urban management and development, based on decades of experience working directly with local and national governments;
- Participatory tools, methods and approaches developed by global programmes in critical areas for reconstruction, such as: security of tenure, urban management, local governance, disaster management, urban environment, water management, informal settlements upgrading, gender, urban safety, and urban indicators;
- Training materials on a wide variety of topics of relevance for local and national governments already translated into Arabic and tested in many countries in the region;

Since the beginning of the post 2003 phase of the UN's development cooperation programme in Iraq, UN-HABITAT has been involved in a multi pronged initiatives related to housing sector reforms. These include:

- **Support to Institutional Development and Capacity Building**

Through the two phased ITF funded Housing Sector Strengthening initiative, a large programme of training, capacity building, technical assistance and policy dialogue is continuing and is also helping to establish an Knowledge & Training Centre to sustain such initiatives cost effectively. Directly responding to the sectoral

commitments made under the International Compact with Iraq, technical advisory services are being provided for the development of a much needed national housing policy.

- **Support to Strategy Development**

UN HABITAT has also supported Iraqi efforts towards: the development of a Slum Upgrading Strategy and carry out comprehensive slum surveys in six cities; and the formulation of pilot governorate level housing strategies in three governorates, namely Najaf, Hilla and Suleiymaniah. UN HABITAT partnered with the IFC spell out in a diagnostic study with an aim to identify and address local constraints to access to developable land and accelerated housing development.

- **Support to Information Development**

An Iraq Housing Market Study was prepared aiming at developing reliable knowledge of the demand (affordability, housing conditions) and supply (land, building materials, housing finance, etc.) aspects of the housing sector and particularly the housing market dynamics that can support urban and housing policy making and implementation. Efforts are ongoing to establish a Housing Observatory to continue updating such data and monitor the housing market conditions on a regular basis.

- **Support to Housing Development, Rehabilitation and Area Upgrading:**

In addition to large scale rehabilitation and upgrading of water and sanitation infrastructure, UN-HABITAT continues to undertake rehabilitation of dilapidated housing to improve shelter conditions cost effectively; generate local employment, and; strengthen local contractor capacities. Such initiatives provide on the job capacity building of local officials in planning and implementation of upgrading projects.)

UN-HABITAT has close to 10 years experience in Iraq. In particular, it has implemented a large-scale resettlement programme from which a number of operational and concept lessons have been derived. The programme targeted over 800,000 vulnerable groups in northern Iraq. It delivered 21,268 housing units, 765 primary and secondary schools, 134 health centres, 905 km of water and sewage systems, 2,940 km of access and internal roads for new settlements, 34 bridges, and 225 facilities to support agricultural and community activities and directly benefiting some 22,000 families while improving the living conditions of over one million people (1,349,200), or close to 30 per cent of the area's population. The programme was also instrumental in helping to revive the economy by establishing and capacitating a vibrant local construction industry and creating some 80,000 jobs.

UNDP:

Between 1991 and 2003, UNDP activities mainly focused on restoring basic infrastructure damaged during the 1991 Gulf War. Building on the platform of large-scale infrastructure works, UNDP has moved upstream to the policy level focusing on building national capacity to elaborate master plans for electricity, energy, water resources and transportation (civil aviation) as well as local recovery and development plans at the provincial level. UNDP continues its work in the recovery of infrastructure, notably electricity, hospital reconstruction, water and sanitation and transportation. Presently, the Iraqi government is being encouraged to utilize its large financial resources in partnership with UN agencies and UNDP through cost-sharing contributions. The first such agreement in several years was concluded recently between UNDP and the KRG for aid management.

UNDP has established a loan facilitation unit at the request of and funded by the Japan Bank of International Cooperation (JBIC), under a UNDP-JBIC partnership agreement to support the procurement needs in electricity for the Ministry of Electricity of the KRG. Ongoing discussions may lead to expanding the partnership to include similar arrangements in support of several other soft loans from JBIC.

UNDP is leading 7 UN agencies in the Local Area Development Project (LADP), working in several governorates to support reconstruction, local governance and poverty alleviation, most notably in the Iraqi marshlands. UNDP is also supporting a series of community projects in Samarra, in parallel to UNESCO's efforts to reconstruct the religious Shrine damaged by a bomb attack on 22 February 2005.

Recently, UNDP has geared up its programme in the Kurdistan Region, building on the presence of its office in Erbil. In addition to LADP, the JBIC loan facilitation project in electricity and the Halabja

Maternity and Children's Hospital, UNDP has convened a water and sanitation conference, together with WHO and UNICEF, in April 2008 to hammer out an action plan for water and sanitation in Sulaymania, where inadequate and collapsing systems contributed to a cholera outbreak in 2007. The proposed joint housing project with UN-HABITAT will further strengthen UNDP's presence in the Region and partnership with the KRG.

Since mid-2006, UNDP has been strongly advocating for supporting master planning and budget execution in Iraq. With rapidly increasing oil revenues, improvements in security and stability, and donors focusing increasingly on supporting technical assistance and capacity building rather than providing grant funding for investment projects, an important future role of UNDP's and that of other recovery and development agencies working in Iraq is to support the Government at all levels in strengthening its capacity to efficiently and effectively plan and deliver the available national resources across all sectors. This means providing support to sector master planning, area-based development planning, programme and project design, implementation and monitoring & evaluation capacities, and improving budget execution and delivery. Moreover, this vision is in line with the Paris Declaration on Aid Effectiveness. UNDP is currently implementing a Budget Execution Support Project in Al-Basrah Governorate and will start up a similar initiative in Al-Anbar Governorate.

UNDP Iraq is now formulating with the GoI the first Country Programme since 1993 to better focus its development and recovery operations in the country. It is conceived to be consistent with the four pillars identified by the NDS to achieve sustainable human development in Iraq, namely strengthening the foundations of economic growth, revitalizing the private sector through the development of an enabling environment, improving the quality of life starting with the provision of basic services; and strengthening good governance, security and combating corruption. UNDP is to focus on a subset of goals that best capture its comparative advantages in relation to Iraq's challenges. These priority areas are identified as (1) democratic and economic governance, (2) inclusive growth including both poverty reduction and private sector development (3) recovery and crisis prevention and (4) gender and women's empowerment. In addition to these four main pillars, the programme is to embody as cross-cutting themes national dialogue and reconciliation, youth, environmental sustainability, and human rights.

4. The Proposed Integrated Programme

4.1 Strategy

The project is adopting a phasing out approach in implementation and technical assistance. This means technical assistance and capacity building activities will be at the maximum during the first year of the project. During this period, Municipal staff will be trained to take over the programme activities and work closely with international experts in developing the different project activities. The project therefore will focus on joint management and coordination of contributions. In the following twelve months, the role of international experts will decrease and that of national staff from the governorate and experts will increase in project implementation and management, phasing out gradually towards the end of the project. The strategy focus on scaling up the Housing Strategy implementation lessons to other governorates.

The project will be implemented by UN HABITAT and UNDP in partnership with CHF-International, the lead NGO in housing micro-finance in Iraq. The role of each partner builds on the comparative advantage of the three agencies and their experience in Iraq.

4.2 Outcomes and Outputs

The proposed project aims at strengthening the housing delivery system in Erbil through three inter-linked outcomes:

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

To this end, the project will strengthen governorate capacities for:

- Planning and budget execution for accelerated housing delivery (UNDP)

- Land management for housing development, including the establishment and operationalization of a GIS based land management information system and the development of a menu of land parceling and servicing options to respond to housing needs for various socio-economic segments of the population (UN HABITAT)
- Effective Public Private Partnerships for housing and rental market development, inner city redevelopment and slum upgrading (UN HABITAT)

Outcome 2: Enhanced slum upgrading and energy efficient housing practices:

- Public Private Partnerships
- Community participation
- Land regularization and redevelopment
- Low-cost energy efficient designs and construction technologies both for housing and community social infrastructure development
- Sustainable management of infrastructure assets and service delivery;
- Micro-finance strategies and pilot micro-finance scheme related to slum upgrading;
- And other initiatives, ultimately resulting in a comprehensive, inclusive and integrated neighborhood improvement plan.

Outcome 3: Decentralized housing strategy implementation experience widely disseminated for replication and further policy and legislative reform:

- Identifying policy and legislative gaps and informing wider reforms of the Kurdistan Housing Sector
- Disseminating best practices and useful lessons to other Governorates and cities in Iraq

This is expected to result, inter alia, in the following **outputs/deliverables**:

- A comprehensive organizational development and capacity building needs assessment study of relevant Urban Planning and Land Directorates of Erbil Governorate, and Erbil Municipality
- A multi-year Capacity Development Plan (CDP) for the above-mentioned institutions
- A critical mass of key personnel with improved skills in priority areas identified through the needs assessment and as per the CDP
- Improved and state of the art Electronic Data Processing (EDP) infrastructure in place and functioning
- A framework for Public Private Partnerships in the delivery of low cost energy efficient housing and the sustainable management of infrastructure assets and service delivery
- Slum area improvement designs, implementation frameworks and microfinance strategies related to pilot Slum Upgrading Projects prepared and implemented
- Demonstration low cost housing constructed, incorporating energy efficiency and environment friendly construction and design features
- An inclusive and integrated pilot neighborhood improvement plan prepared
- A series of documents and policy papers codifying the experience of implementing the Erbil Housing Strategy and the pilot project
- Experience and knowledge disseminated through a National Housing Delivery Conference in Erbil at the end of the project

4.3 Role of Partner Agencies

UN-HABITAT has developed Erbil Housing Strategy and capacity building programmes in Iraq for the sector. It will lead on assessing training needs, organizational restructuring and business re-engineering for improving housing delivery. It will also develop capacities within the Governorate to undertake various models of partnerships in housing and boost housing delivery. It will equip the municipality with tools and

equipment needed to improve land management and acquisition process. In addition, it will assist the governorate in preparing slum improvement plans and designs as well as providing various options for energy efficient housing.

UNDP has been leading the assessment of energy efficient construction in Iraq and other parts of the world and for that it will be leading on the development of standards and guidelines for localized energy efficient construction in Iraq. UNDP will lead on consultation on energy efficient housing and construction of housing within the slum improvement project, and manage project procurement for UN HABITAT activities under the project. CHF International will be cooperating partner of UN-HABITAT in implementing the micro-finance component of the project. CHF International will be accountable to UN-HABITAT with respect to its activities under the project. UN-HABITAT and UNDP each has specific role in achieving the following outcomes.

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

UN HABITAT will take the lead in equipping the Urban Planning and Land Directorate as well as Directorate of Housing in planning and budgeting as well as necessary tools and techniques to plan, design, implement and manage energy efficient housing in slum upgrading. It will also develop partnership capacity and equip the various directorates with guidelines and frameworks for partnerships.

- Outcome 2: Enhanced slum upgrading and energy efficient housing practices

CHF International will establish a community level micro finance facility targeted at supporting both livelihoods generation and shelter improvement initiatives. UNDP will develop energy efficient housing designs and prepare implementation plans in an area selected by the municipality.

The Directorate of Urban Planning will prepare detailed plans and designs for slum area improvement in partnership with the University of Salah El-Din.

The Ministry of Municipality and Public Works Urban Planning Directorate will lead the organization of various consultation meetings and workshops, and a housing conference in Erbil

The Governorate of Erbil will provide the necessary infrastructure to the selected project location and second staff for management and implementation.

- Outcome 3: Decentralized housing strategy implementation experience widely disseminated for replication and further policy and legislative reform

The University of Salah El-Din will cooperate with the governorate of Erbil in preparing a series of research papers and policy documents that will provide an assessment of the implementation process and provide recommendations for expanding the experience to other parts of Iraq.

4.4 Beneficiaries

Direct beneficiaries:

- Housing, Municipal and Urban Planning Departments of Erbil Governorate - through capacity building and training activities in support of the implementation of the Erbil Housing Strategy
- Erbil Municipality - through capacity building and training activities in support of the implementation of the Erbil Housing Strategy
- Private construction companies and service providers – by receiving contracts under the project and resulting from the PPP framework
- Recipient households in the pilot project area – through access to low cost housing, improved urban services, micro-finance, etc.
- Female headed-households

Indirect beneficiaries:

- GoI Ministry of Construction and Housing – through practical experience obtained from the implementation of the Erbil Housing Strategy and pilot project as inputs for further policy and legislative reform and dissemination to other parts of Iraq
- The 17 other governorates in Iraq through sharing the series of documentation codifying the experience and by their active participation in the national Housing Delivery Conference in Erbil.
- KRG Ministry of Public Works and Housing – through practical experience obtained from the implementation of the Erbil Housing Strategy and pilot project as inputs for further policy and legislative reform and dissemination to other parts of Kurdistan Region
- Population of Erbil City – The implementation of the Erbil Housing Strategy covers the entire city, while the practical experience obtained from implementing the pilot project can, if successful, be replicated in other parts of the city

5. Results Framework

Table 1: Results Framework and Indicators

Improving the Housing Delivery System in Erbil							
NDS/ICI priority/ goal(s):							
UNCT Outcome							
Sector Outcome							
Outcome 1: Improved Housing Delivery System							
NDS / ICI Priorities: 3. By end 2009, MoCH to operationalize Housing Market Information System at national and sub-national levels; 4. By end 2010, develop land management and planning capacities at governorate levels and set a plan for availing developable land with infrastructure (roads, water supply, sewerage, electricity) and community facilities (schools, dispensaries, shopping space, nurseries) and expand access to market rate housing finance.							
IP Outcome 1	Improved Governorate capacity to implement the Erbil Housing Strategy						
IP Outputs	UN Agency Specific Output	UN Agency	Partner	Indicators	Source of Data	Baseline Data	Indicator Target
IP Output 1.1: Erbil governorate supported to undertake a gender sensitive organizational development and capacity building needs assessment study of Erbil	Erbil governorate supported to undertake a gender sensitive organizational development and capacity building needs assessment study of Erbil	UN-HABITAT	Erbil GO & Municipality	Needs assessment study	Governorate of Erbil	No. Capacity assessment under taken	Needs assessment study completed
IP Output 1.2: A multi-year Capacity Development Plan (CDP) for institutions in place.	A multi-year Capacity Development Plan (CDP) for institutions in place.	UN-HABITAT	Erbil GO & Municipality	Approved CDP	CDP document	No plan is available	A multi year capacity development plan is completed
IP Output 1.3: Improved skills of key personnel (men and women)in identified priority areas housing delivery, land management ,slum upgrading, participatory budgeting and management of change	Increased knowledge of municipal staff on housing delivery, land management and slum upgrading	UN-HABITAT	Erbil GO & Municipality	% of trainees passing the individual skills evaluation disaggregated by gender) % of trainees satisfied with the quality of training in terms relevance and usefulness	Training report, Individual skills evaluations reports Training evaluation report	None were trained	110 trainees evaluated as having gained at least the minimum qualifications 75% of trainees satisfied with the quality of training in terms relevance and usefulness

IP Output 1.4: Erbil Governorate has a functional Electronic Data Processing (EDP) infrastructure	Increased knowledge of municipal Staff on participatory budgeting and management of change	UNDP	Erbil GO & Municipality	<p>% of trainees passing the individual skills evaluation disaggregated by gender</p> <p>% of trainees satisfied with the quality of training in terms relevance and usefulness</p>	<p>Training report, Individual skills evaluations reports</p> <p>None were trained</p>	40 trainees evaluated as having gained at least the minimum qualifications
IP Output 1.5: A framework for Public Private Partnerships in the delivery of low-cost housing developed	Erbil governorate supported to identify specifications for supplies in support of EDF	UN-HABITAT	Erbil GO & Municipality	<p>EDP list of equipment with specifications</p> <p>List of EDP equipment procured and installed</p> <p>Number of plans developed by the users of equipment.</p> <p>A Partnership framework approved by the Erbil governorate council</p> <p>Number of PPPs initiated by selected areas Erbil governorate</p>	<p>Progress report</p> <p>Users plans and reports</p> <p>User evaluations</p> <p>None</p> <p>None</p> <p>No partnership framework is available</p>	<p>List of 20 electronic EDP data processing equipment approved by counterparts</p> <p>EDP infrastructure in place & functioning</p> <p>EDP installed equipment used for all relevant processes</p> <p>Framework for Public Private Partnerships in the delivery of low-cost housing</p>
IP Outcome.2	Enhanced slum upgrading and energy efficient housing practices	UN-HABITAT	Erbil GO & Municipality; private sector	<p>NDS / ICI Priorities: 1. By year 2020 ensure a significant improvement in the lives of slum dwellers; 4. By end 2010, develop land management and planning capacities at governorate levels and set a plan for availing developable land with infrastructure (roads, water supply, sewerage, electricity) and community facilities (schools, dispensaries, shopping space, nurseries) and expand access to market rate housing finance; 5. By end 2010, restructure the Iraq Housing Fund to be governorate and community-based providing micro and small, sequential loans to low-income households for incremental housing construction and disburse loans to at least 20,000 poor and low income households, particularly supporting vulnerable groups such as IDPs, refugees, stateless, returnees and other disadvantaged social categories.</p>		

IP Outputs	UN Agency Specific Output	UN Agency	Partner	Indicators	Source of Data	Baseline Data	Indicator Target
IP Output 2.1: Erbil Governorate supported in development and implementation of undertaking slum improvement schemes in Erbil	Capacity of Erbil Governorate enhanced to develop and implement slum area improvement designs and frameworks	UN-HABITAT	Erbil GO & Municipality; private sector	#of detailed designs prepared Availability of implementation framework for slum area improvement	Erbil GO & Municipality master plan	No designs commenced No framework is available	10 detailed designs framework approved Implementation framework for slum area improvement in Erbil is available
	Implementation of microfinance strategies and small loan scheme communities in selected areas of Erbil	UN-HABITAT	CHF - International	Number of houses undergone improvements Number and volume of loans issued Load recovery/repayment rate	CHF assessments	0 0 NA	40 houses improved/extended with loans 60 %of loan repayment
IP Output 2.2: Low-income housing models incorporating energy efficient and environment friendly construction and design features	Erbil Governorate supported to incorporate energy efficient and environmental friendly construction and design features in low-cost housing	UN-HABITAT	Erbil GO & Municipality; private sector	Guidelines energy efficient and environmental friendly construction and design features in low-cost housing prepared Number of housing plans in Erbil including energy efficient and environmental friendly construction and design features	Erbil GO & Municipality	No available plans nor guidelines	Guidelines prepared 5 plans developed and approved
	Erbil Governorate supported for the construction of low-cost energy efficient housing models	UNDP	Erbil GO & Municipality; private sector	Number of model houses constructed Number of houses connected to services	Erbil GO & Municipality budget execution report Project progress report	n.a	40 houses constructed 40 houses connected to services

IP Output 2.3: An inclusive and integrated pilot neighborhood improvement plan available	An inclusive and integrated pilot neighborhood improvement plan developed	UN-HABITAT	Erbil GO & Municipality; private sector	Approved master plan for Erbil in place # of detailed action plans prepared	n.a.	n.a.	Area master plan in place 10 detailed action plans.
IP Outcome 3	NDS / ICI Priorities: 1. By year 2020 ensure a significant improvement in the lives of slum dwellers; 2. By 2009, formulate and adopt National Housing and Land Management Policy and address norms and standards, construction standards, as well as for the land tenure, property rights and use of public lands and holdings (Priority Action).						
IP Outputs	UN Agency Specific Output	UN Agency	Partner	Indicators	Source of Data	Baseline Data	Indicator Target
IP Output 3.1: Documentation of experience and learning from Erbil Housing produced and disseminated for learning and scaling up in other governorates	Six UN HABITAT published reports on the experience of implementing the Erbil Housing Strategy and plans	UN-HABITAT	MoCH, MoPWH, Erbil GO & Municipality	# of published documents # of published policy papers	Project report	0 0	Six of documents & policy papers
	Two UN-HABITAT conference papers on slum upgrading and capacity building lessons learnt produced	UN-HABITAT	MoCH, MoPWH, Erbil GO & Municipality	# of papers prepared on slum upgrading Conference on slum upgrading is held for Iraqi governorates	Conference evaluation & follow-up	0	Two papers prepared on slum area development. A least 80% of Iraqi Governorates participate in the slum upgrading conference
	Raising awareness of Erbil governorate and municipality on energy efficient housing.	UNDP	MoCH, MoPWH, Erbil GO & Municipality	# of reports prepared on energy efficient housing Conference on energy efficient housing is held %of Iraqi governorates participating in the conference	Conference report	0 0	A Report prepared by UNDP on energy efficient housing Participation of at least 80% of Iraqi Governorates in the efficient housing conference

6. Management and Coordination Arrangements

Due to the joint implementation modality of this programme, it is necessary to have a coordination mechanism between those actors that is effective and ensure sustainability. The MoMPW –KRG is the line ministry responsible for this programme, and the Governorate of Erbil will lead on implementing the project and will be responsible for the delivery of its outputs. The Ministry of Municipalities in KRG and the Governorate will be assisted by UNDP and UN HABITAT in developing a sustainable housing sector coordination and programme management setup. An administrative arrangement between the parties will be signed to define roles and responsibilities of the UN and KRG partners. This setup will be capacitated to take over further implementation during the phasing out of project activities. This setup will be comprised of the following management arrangement:

- 1- **Steering Committee (SC)** The SC will be established by Ministerial Decree of the Minister of Municipalities and Public Works in Erbil, and responsible for providing policy and strategic guidance to the Project Executive Team (PET). It will also review and endorse project progress reporting. The SC will be responsible for taking up policy matters to higher levels based on the recommendation of the PET and if it agrees collectively on such necessity. The SC will be chaired by the Minister of Municipalities and Public Works; the Deputy Minister of Housing will be the deputy chair. The committee will include the Deputy Governor of Erbil, cooperatives, the real estate bank, the contractors' union, private bank (active in housing finance), private sector developers, and the university. The Project Coordinator assigned by Erbil Governorate will serve as the Secretary. The UN HABITAT and UNDP Project Managers will also participate as observers.
- 2- **Project Executive Team (PET)** will be comprised of the National Project Coordinator (NPC), and the UN HABITAT and UNDP National Officers. The PET responsibilities will be to oversee the project implementation and guide the work of national experts/teams. The PET will endorse the terms of references of project activities, prepare and update the project work-plan, and prepare bi-annual progress reports for the SC.
- 3- **National Project Coordinator (NPC)** will be seconded from the Governorate of Erbil or the Ministry of Municipalities and will be paid from the KRG contribution. He/she will liaise with national level officials and coordinate local project activities, and ensure national and local activities are undertaken as per the project document and terms of reference. The NPC will be responsible for presenting the project progress reports and outputs to the SC for its endorsement. He/she will recommend national and local experts to be recruited by the project to carry out specific tasks and responsibilities as per the terms of reference. He/she will also act as the secretary of the SC and prepare its agenda and meeting minutes with the assistance of the National Project Associate (NPA).
- 4- **UN HABITAT and UNDP Project Managers (PM)** will be responsible for ensuring the timely provision of international technical assistance by their respective organizations to the project activities. They will provide backstopping and support to the NPC and assist him/her in preparing the project progress reports and work-plan. They will supervise the international team of experts recruited under the project and insure that the project deliverables are provided as per the approved project work-plan.
- 5- **UN HABITAT and UNDP Project Officers (Erbil Based)**
UN HABITAT and UNDP will recruit specialized project officers who will be responsible for managing project day to day operations in Erbil in close consultation with the Project Coordinator and maintaining necessary records of technical and administrative activities undertaken locally in Erbil. The project officers will assist the project coordinator in monitoring the work of local consultants and will facilitate international technical assistance to Erbil with the support of the UN Project assistants.
- 6- **National Project Assistant (NPA) (Erbil)**

The NPA will be recruited by the Governorate of Erbil from its contribution to assist the Project coordinator in undertaking his/her duties.

7- UN Project Assistant (Erbil)

Both UN-HABITAT and UNDP will have existing staff in Baghdad and Amman assist on a part time basis project officers and project managers in administrative activities.

7. Feasibility, Risk Management and Sustainability of Results

Feasibility:

The project deliberated from an extensive and in-depth participatory process of situation assessment and housing strategy development led by the governorate. The governorate of Erbil Housing Strategy has a set of priority project that needs to be implemented. The project will equip the governorate with necessary capacities, plans and equipment for facilitating and expanding housing partnerships, energy efficient housing and slum upgrading. The governorate has demonstrated its ownership to the project by allocating two million dollars for its implementation.

Both UN-HABITAT and UNDP have a long track record of successfully operating in Erbil. UN-HABITAT has had intensive working relations with all the main counterparts of the proposed project for several years, including in the preparation of the Erbil Housing Strategy, and is therefore fully cognizant of their capacity and commitment to improvement of the housing sector. The project has been designed on the basis of UN-HABITAT's experience in this respect and there are therefore no objective reasons to doubt the feasibility of the proposed project.

Risk Management

The project is supported by the Governor of Erbil; project implementation may be affected if the impending elections result in a change of personnel and consequently the commitment in project cost-sharing. However, it is expected that the Administrative arrangement signed by the project partners will ensure the commitment of the Governorate. Delays in selecting the pilot project area may cause delays in project delivery. The early assignment of the National Project Coordinator and forming a Steering Committee that regularly meets and resolves bottlenecks will help in overcoming any delays. Deterioration in the security situation, as a worst case scenario, may result in suspending operations. This will be mitigated by the project management and implementation approach that adopts joint management with responsibilities to the local partners. The early training of staff in national courses will help in having a qualified cadre capable of implementing the project with minimal international involvement.

Exit Strategy:

Firstly, the documentation and codification of the experience obtained in implementing the Erbil Housing Strategy and the pilot project to be shared and disseminated during an end-of-project National Housing Delivery Conference will provide an input for further policy and legislative reform, refinement of the Erbil Housing Strategy, and opportunities for dissemination of the experience to other parts of Erbil and Iraq.

Secondly, the preparation of an integrated pilot neighborhood improvement plan will provide the local authorities with an agenda for long-term improvement in the neighborhood covered by the proposed project, as well as for other neighborhood, by incorporating needs in terms of income- and employment generation and strengthening social cohesion, in addition to the more "physical" needs of housing and services.

Both UNDP and UN-HABITAT by the end of the project will have created adequate managerial and implementation capacities together with scaling-up plan that will assist the Governorate and the Ministry of Municipalities to carry out similar project activities in Erbil and outside it. It is believed that the successful

implementation of the proposed project will create favorable conditions for further financial support by the KRG and the international donor community for follow-up initiatives in the sector.

8. Monitoring, Evaluation and Reporting

Monitoring, evaluation and reporting will be in accordance with individual agencies' internal regulations and the terms of the Memorandum of Understanding with the MDTF Office of the UNDG Iraq Trust Fund.

The Project Managers are responsible for progress reporting. As a process of capacity building for gradual national execution, the National Project Coordinator will prepare the initial draft with the support of the Project Officers. The report will be finalized and cleared by the project managers for submission to the Steering Committee for review and endorsement.

The Project Managers will prepare project fiches on monthly basis. He/she will finalize quarterly progress reports against the results to be shared as well with the Shelter Sector Outcome Team on regular basis.

UN-HABITAT and UNDP uses the monthly project fiche to report by which it continuously monitor and report progress against monthly planned activities and key targets achieved. CHF-International as UN-HABITAT implementing partner will use UN-HABITAT reporting template in-order to have up-to-date reports on progress/gaps and resolve problems as fast as possible.

A project Lesson-learned section in reports will be regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project

The UN HABITAT Project Manager will consolidate narrative progress report based on UNDP and UN-HABITAT inputs in accordance with MDTF Office requirements.

In accordance with UNDG ITF regulations, each individual UN agency shall issue separate financial statements and reports and directly submit to the UNDG ITF. CHF shall be considered for the purpose of UNDG ITF reporting as cooperating partner of UN-HABITAT and shall not therefore submit separate reports.

Annual Review Report. The Project Executive Team led by the Project Managers will prepare Annual Review Report that shall be submitted to the Steering Committee. As minimum requirement, the Annual Review Report shall consist of the quarterly progress report (QPR) covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.

Annual Project Review. Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Steering Committee and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

Mid-term and final evaluation. The project includes a mixture of interlinked complex outputs of strategy development, associated capacity development with institutional restructuring and direct delivery of housing and multi-partner involvement. It is necessary to evaluate the progress/achievements and assess based on quantitative and qualitative indicators the project impact and progress towards achieving its outcomes. An External Evaluation Team (that includes head-quarter staff, Iraqi consultant and independent international evaluator) will evaluate the project at the mid-term of the project and towards its end. The evaluation will measure the performance against targets and key expected results and the readiness of the counterparts to further carry out sector reforms without additional technical assistance or further project phases.

9. Work Plans and Budgets

Work Plan for: Improving the Housing Delivery System in Erbil										
Sector Outcome (s): Outcome 1: Improved Housing Delivery System										
Period Covered by the Work Plan : 01 December 2008 – 31 November 2010										
UN Organization-specific Annual targets	Major Activities	Time Frame (by activity)								PLANNED BUDGET (by output)
		Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	
IP Outcome(s):										
1. Improved Governorate capacity to implement the Erbil Housing Strategy										
2. Enhanced slum upgrading and energy efficient housing practices										
3. Decentralized housing strategy implementation experience widely disseminated for replication and further policy and legislative reform										
IP Output 1:										
IP Output 1.1: Erbil governorate supported to undertake a gender sensitive organizational development and capacity building needs assessment study	Undertake detailed interviews and consultations with stakeholders.									235,000
IP Output 1.2: A multi-year Capacity Development Plan (CDP) for institutions in place.	Undertake a series of consultations on organization development and link to it formulation of the CDP to develop the plan									249,000
IP Output 1.3: Improved skills of key personnel (men and women) in identified priority areas housing delivery, land management, slum upgrading, participatory budgeting and management of change	Develop national training courses and seminars Develop Training of Trainers Prepare training courses and study tours outside Iraq									449,000
IP Output 1.4: Procure and install Land management										266,000

Improved and state of the art Electronic Data Processing (EDP) infrastructure in place and functioning	equipment and software				
IP Output 1.5: Framework for Public Private Partnerships in the delivery of low-cost housing and slum improvement developed	Review current practices and develop a framework for revised partnership approach			182,811	
IP Output 2:					
IP Output 2.1: Erbil Governorate supported in development and implementation of undertaking slum improvement schemes in Erbil	Prepare designs and plans of improvement and availed for municipality to implement Formation of community structures and capacity building for asset management and service delivery			252,304 CHF - International	
IP Output 2.2: Low-income housing models incorporating energy efficient and environment friendly construction and design features	Energy efficient demonstration housing with private sector participation. Prepare designs and manuals for energy efficient housing Construction of energy efficient housing			839,000	
IP Output 2.3: An inclusive and integrated pilot neighborhood improvement plan available	Provide technical assistance for Municipality to prepare the plan			225,000	
IP Output 3:					
IP Output 3.1: Documentation of experience and learning from the	Engage academia and research professional in project activities to prepare specific research and policy papers			129,000	

E4-15

Erbil Housing produced and disseminated for learning and scaling up in other governorates	Assist Ministry of Municipality in Erbil and Governorate to prepare the conference																			
Total UN organization 1 UN HABITAT																\$1,645,547				
Total UN organization 2 UNDP																\$1,341,568				
Total Planned Budget																\$2,987,115				

* The Total Planned Budget by UN Organization includes both programme cost and indirect support cost

Budgets:

PROGRAMME BUDGET

Summary

CATEGORY	ITEM DESCRIPTION	UNIT COST	NUMBER OF UNITS	AMOUNT
1. Supplies, commodities, equipment and transport				77,000
	Equipment			52,000
	Supplies and Commodities			25,000
2. Personnel (staff, consultants and travel)				1,055,000
	National Programme Personnel			176,000
	International Programme Personnel			467,000
	National Consultants			72,000
	International Consultants			150,000
	Travel			190,000
3. Training of counterparts				263,000
4. Contracts				1,280,000
5. Other direct costs				133,877
	Miscellaneous			80,326
	Security			53,551
Total Programme Costs				2,811,402
Indirect Support costs				175,713
GRAND TOTAL				2,987,115

PROGRAMME BUDGET*

UN-Habitat

CATEGORY	ITEM DESCRIPTION	UNIT COST	NUMBER OF UNITS	AMOUNT
1. Supplies, commodities, equipment and transport				77,000
	Equipment			52,000
	Supplies and Commodities			25,000
2. Personnel (staff, consultants and travel)				615,000
	National Programme Personnel			88,000
	International Programme Personnel			301,000
	National Consultants			56,000
	International Consultants			75,000
	Travel			95,000
3. Training of counterparts				263,000
4. Contracts				520,000
5. Other direct costs				73,750
	Miscellaneous			44,250
	Security			29,500
Total Programme Costs				1,548,750
Indirect Support costs				96,797
GRAND TOTAL				1,645,547

PROGRAMME BUDGET

UNDP

CATEGORY	ITEM DESCRIPTION	UNIT COST	NUMBER OF UNITS	AMOUNT
1. Supplies, commodities, equipment and transport				-
	Equipment			
	Supplies and Commodities			
2. Personnel (staff, consultants and travel)				440,000
	National Programme Personnel			88,000
	International Programme Personnel			166,000
	National Consultants			16,000
	International Consultants			75,000
	Travel			97,525
3. Training of counterparts				
4. Contracts				760,000
5. Other direct costs				60,127
	Miscellaneous			36,076
	Security			24,051
Total Programme Costs				1,262,652
Indirect Support costs 6.25%				78,916
GRAND TOTAL				1,341,568

Budget narrative:

The total budget requirements is USD 2,987,296

Project Personnel

The project is executed by both UN HABITAT and UNDP. As the project aims at strengthening local capacities and scaling up of project outputs it adopts a phasing out approach by which technical assistance and UN staff support are high at the start and decrease gradually towards the end of the project. As Erbil is becoming safer, international staff can operate more in this part of Iraq. This why staff cost is 29% (\$865,000) of the project total cost, as the project will rely more on staff inputs.

The national project personnel will be responsible for project operational matters in Erbil and Amman, particularly communication, finance and administration (8.8%) \$176,000.

The International programme personnel will be responsible for project technical and managerial operations, reporting and providing technical assistance on land management, capacity building and slum upgrading backstopping for the national slum upgrading consultant (23.5%) % 467,000.

The international consultants will support the development of the land management plan for the governorate and the supervision of energy efficient housing construction for five months (5%) \$150,000.

The national consultants on capacity building will carry out the detailed surveys and consultation with governorate of Erbil departments and organize all relevant field work for the Training needs sub-contractor. The slum upgrading national consultant will work together with the International Housing Expert on consultations for slum upgrading community workshops, and further the implementation of slum upgrading and providing technical advice to the city of Erbil.

The Monitoring and Evaluation consultant will be undertake mid-term and end of project review (2.2%) \$72,000.

Contracts

The training needs, organizational development and training plan sub-contract will be undertaken by an international reputed organization selected through competitive bidding process or from UN HABITAT list of HABITAT Agenda implementing partners (non governmental organizations or academic institutions) this is expected to be supported in the field by the National Capacity building Consultant this contribute to output 1.1 and 1.2 (2.6%) \$80,000.

A set of policy papers will be developed by Salah El-Din University Staff in partnership with other International Universities to assess the current partnerships practices and explore the benefits that may occur from private sector involvement in slum redevelopment and provide options and alternatives for evaluating Erbil experience in private sector development in Housing and what other parts of Iraq can learn from it. This will contribute to output 1.5 (%1.7) \$50,000. Six papers will be developed. Five of them will cost \$8,000 each and one on housing micro-finance will cost \$10,000.

Planning and designs of community upgrading and land adjustments sub-contract will be done through experience firms in the region in carrying out similar activities this will contribute to output 2.1 with the support of the National Slum upgrading Consultant (2.34%) \$70,000.

The design of energy efficient housing in slum areas will be carried out by specialized regional/international firm. This will contribute to output 2.2. (1%) 30,000.

Once the designs are ready UNDP will undertake construction of energy efficient housing by local contractors which will also contribute to the output 2.2 (23.4%) \$700,000. It is estimated that the average cost of the house will be \$20,000.

Micro-loans for energy efficient housing construction will be undertaken by UN HABITAT partner organization CHF –International who is experienced in micro-loans in Iraq. This will help the municipality of Erbil to expand the experience in neighboring areas. It will contribute to output 2.1 (6.7%) 200,000. CHF-International is expected to disburse 40 loans of \$5,000 each for house improvements.

Land management equipments and softwares to improve land redevelopment approaches will be procured and installed to enhance land management. It will contribute to output 1.4. (4%) 120,000.

Training

The project will train 140 staff on slum upgrading, housing planning and management and GIs for real estate development in 7 training course. The national training courses as described in the training plan developed under the project will be implemented in Erbil by Salah El-Din University and UN HABITAT international staff. This will contribute to output 1.3. (2.34%) 70,000.

Two study tours on slum upgrading will be carried out to countries in the region for 10 key project personnel to explore experiences in private sector housing development and slum improvement. (2.34%) 70,000.

Consultation workshops will be undertaken with stakeholders on regular basis in Amman and Erbil. A final housing conference will be held prior to the end of the project to document lessons learnt and expand the project results to other parts of Iraq (4%) 120,000.

Equipments

The project will procure necessary equipments to for the project office and steering committee support in Erbil, (1.8%) 52,000

Travel: National and International staff will continuously visit Erbil and Amman for consultations (6.3%) 190,000.

Annex A: Agency Project Status Profile – UN HABITAT

Sl. #	Project ID #	Project Title	Total Budget (US\$)	Implementation Rate (% complete)	Commitments (% as of 30 September)	Disbursements (% as of 30 September)	Remarks
1	E4-16	Strengthening the Capacity of the Housing Sector -II	\$2,385,917	65%	58%	39%	
2	E4 -14	Rehabilitation of community facilities and infrastructure	\$16,025,007	90%	100%	85%	
		TOTALS (US\$)	\$18,410,924		94%	79%	

NOTE: UNDP does not have a project in the Shelter and Housing sector at this time.