

United Nations Development Programme Iraq Project Document

Project Title: Funding Facility for Immediate stabilization (FFIS)

UNDAF Outcome 1: Government and Communities' resilience to disasters (man-made and natural) strengthened

Expected CP Outcome 3: Improved livelihoods opportunities for crisis-affected communities

Expected Output(s):

- Rapid local stabilization and recovery assessments
- Stabilization and recovery initiatives in newly accessible areas

Executing Entity: UNDP

Implementing Agencies: UNDP

Brief Description

UNDP's Local Area Development Programme (LADP) is an already existing project managed in partnership with the Ministry of Planning, which provides the long term capacity building in planning, budgeting, project implementation and coordination between central and governorate level. In order to quickly respond to the emerging needs of the areas which were under ISIL control, this project is an addition to the LADP programme that supports the short and medium term stabilization and early recovery requirements within the longer term Local Area Development. The overall objective is to provide immediate support to newly accessible areas in Iraq in order to create the conditions for sustainable returns of the Internally Displaced population. In addition, the project aims at jumpstarting the local economy and generating income and employment opportunities, in particular for youth, as well as the emergency recovery of priority infrastructure in the areas which suffered from the devastating impact of ISIL occupation. The ownership and leadership of local authorities of the stabilization and early recovery phase is considered to be key to the success of the project. Finally, the project promotes social cohesion among local representatives, tribal leaders and religious communities. The project has an initial duration of 2 years and will build on the existing implementation structure of the UNDP crisis response program.

| | |
|----------------------------------|-----------------|
| Programme Period: | 2010-2015 |
| Key Result Area (Strategic Plan) | Crisis response |
| Atlas Award ID: | |
| Start date: | May 2015 |
| End Date | May 2017 |
| PAC Meeting Date | 26 May 2015 |
| Management Arrangements | DIM |

| | |
|----------------------------|----------------|
| Total resources required | USD 59,184,000 |
| Total allocated resources: | _____ |
| • Regular | _____ |
| • Other: | _____ |
| o Germany | _____ |
| o UK | _____ |
| o Government | _____ |
| Unfunded budget: | _____ |

Agreed by (Government) Mehdi M. AL-Alak, Chief of Staff at PMO

Agreed by UNDP: Grande, Asst UNDP Resident Representative

June 11th
2015

I. SITUATION ANALYSIS

On 10 June 2014, fighters led by the Islamic State in Iraq and the Levant organisation (ISIL) captured the major northern Iraqi city of Mosul after three days of fighting. The fall of Mosul, and the quick advance of ISIL and its allies south towards Baghdad, plunged Iraq into one of the most, if not the most, significant political, social and security crisis the country has experienced since 2003. It also led to a huge displacement of Iraqis which is currently estimated at around 2.8M Internally Displaced People (IDPs). Since then, some progress has been made by Peshmerga, Iraqi security forces and other security forces supporting the Government of Iraq. Plans have now been drawn up for the re-capture of major population centers such as Mosul and Ramadi. The Iraqi Government, with support from an international coalition of partners in its fight against ISIL has started planning for the immediate stabilization of newly accessible areas which will allow the displaced population to return to their home areas.

In order to support the newly liberated areas, the international community is committed to provide quick assistance to respond to immediate recovery and stabilization needs. To date, several sub districts of Tal Afar district in Ninewah Governorate have been liberated such as Zummar, Sinuni and Rabi'a subdistricts. In Salah-alidin governorate, the Amerli district has been liberated as well as Tikrit and areas surrounding Tikrit, while fighting is ongoing in Anbar and parts of Salahalidin.

Therefore, a rapid assessment of damages and stabilization/recovery needs is currently being rolled-out in various newly accessible areas, under the leadership of local authorities. The assessment will also provide for a costing of the prioritized needs that will be the basis for area-based recovery plans, with short term stabilization (up to 6 months) and early recovery priorities (1-2 years). This response plan will factor in the government resources available at local level and highlight the funding gaps. Any support, though, would need to factor in local conflict analysis and strengthen the drivers for peace. Many newly accessible areas are located in Disputed Internal Boundary Areas with a diverse social fabric. Local community based organizations/civil society will play an important role in a conflict sensitive recovery, together with local authorities which are tasked to facilitate the return of the displaced population and maintain stability, despite the social cohesion challenges because of widespread human rights abuses and years of unresolved grievances among citizens.

Since 2007, UNDP has set up a Local Area Development Programme (LADP), with the Ministry of Planning as main counterpart, which has supported local participatory strategic planning, capacity building of local authorities, provincial annual planning/budgeting and provided policy advisory support. The current second phase of the project, which started end of 2012, is supported by the European Union. Following the IDP crisis in June 2014, UNDP set up a separate Crisis Response and Resilience project which manages a small grants scheme for NGO/CSOs and supports local authorities in a better service delivery to the IDPs, refugees and host communities

II. STRATEGY

The quick support to authorities in newly accessible areas will require a specific Funding Facility for Immediate Stabilization (FFIS) and early recovery which can channel resources to the priorities identified by the local rapid assessments carried out by local authorities of newly accessible areas. As no multi-partner Trust Fund has been set up for stabilization and recovery this project has been set up and is considered to be the funding facility for stabilization and early recovery as an addition to the longer term Local Area Development Project (LADP). The LADP is a EU funded project focusing on development planning capacity at local level, which has a provision for some of its funds to be spent on implementation in newly liberated areas. With the objective to quickly implement activities, the project builds on the existing Crisis response and resilience program staffing and network of field presence. The stabilization activities will allow for IDPs to return, for re-establishing a certain peaceful co-existence in the community and for citizens to find a job as an alternative, particularly for youth, to join militias or become radicalized.

The funding facility will support four sets of activities, each with a dedicated window. All activities will be decided in agreement with the local authorities (Governor's office and mayors), based on priorities identified at the local level through consultations. Given the sensitive nature of stabilization and the fragile conditions prevailing in many newly liberated areas, concerns relating to human rights, protection, gender and inclusion will be taken into account during the prioritization and sequencing of activities, as well as those related to environmental impact.

Window One: Public Works and Light Infrastructure Rehabilitation. This window will be used to finance light repairs of key public infrastructure including clinics, police stations, water facilities, power grids, government buildings and access roads. It will also be used to finance rubble removal, waste collection and possibly environmental rehabilitation. The intention is to provide short-term employment through public work schemes including cash for work.

Window Two: Livelihoods. This window will be used to finance activities aimed at jump-starting the local economy and generating income for local households, particularly families returning to their homes, including women. The Cash for Work activities, as mentioned above, are part of this cash injection into the local economy. In addition, it intends to provide micro-credit grants to small businesses with high community impact including bakeries, electrical shops, agriculture, food kiosks and micro-stores. Where possible, support will also be given to women and vulnerable households.

Window Three: Capacity Support. This window will be used to finance technical support for local governments, boosting their immediate response capacity to cope with the challenges arising during stabilization. The intention is to recruit and deploy technical experts to support planning, implementation, and monitoring functions, and possibly support to women committee in the provincial council. The expectation is that these deployments will be short-term, until government funding comes on line to absorb these staff or transition them. The existing LADP EU-funded project will be the main conduit for this window.

Window Four: Community Reconciliation. This window will be used to finance programmes that help local leaders and community groups promote social cohesion and dialogue. The intention is to provide micro-credit grants to community organizations to support local reconciliation activities, to train community facilitators for reconciliation, with special attention to local women groups, and to start a restorative justice process. The Social Cohesion project is used as conduit for window 4.

The different windows of this project will be implemented by government entities, NGOs/CBOs and possibly other UN agencies. However, ownership by and the leading role of the Iraqi Government (particularly at governorate level) are critical and should include decision-making power on project-funding and priority setting through consultative processes with the international partners and other stakeholders. Where feasible, the contracting/implementation/monitoring of activities is coordinated with Government technical implementation entities to ensure maximum ownership. The project facilitates the contracting process, reviews Bill of Quantities or project proposals of local civil society partners, ensures quality control in the contracting process, monitors the performance of contractors and local civil society partners and reports back to Governorate/Government, UNDP and other project partners on implementation status and gaps.

In addition to the principle of ownership, the decision making on the funding of projects will be guided by the following additional principles:

- any support funded by the project will need to adhere to the general principles of international human rights and humanitarian law (especially non-discrimination and impartiality), and promote reconciliation and social cohesion;
- areas receiving support will need to have established mechanisms for the safe return of IDPs;
- legitimate security arrangements under Governorate control should be re-established;
- gender dimensions and minority rights should receive particular attention
- build back better, where possible, and strengthening resilience capacity.

III. RESULTS AND RESOURCES FRAMEWORK

| Intended Outcome as stated in the Country Programme Results and Resource Framework: | | | | |
|--|---|--|---|--|
| Outcome 3: Improved livelihoods opportunities for crisis-affected communities | | | | |
| Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets: | | | | |
| Applicable Key Result Area: SP outcomes 1,3,5,6 | | | | |
| Partnership Strategy: The project will work closely with Central and regional level Government, civil society, community organizations and UN agencies as a concerted effort for stabilization. | | | | |
| Project title and ID (ATLAS Award ID): Funding Facility for Immediate Stabilization | | | | |
| INTENDED OUTPUTS | OUTPUT TARGETS FOR (YEARS) | INDICATIVE ACTIVITIES | RESPONSIBLE PARTIES | INPUTS |
| Output 1 Rapid local stabilization and recovery assessments are carried out with local authorities, UN agencies and civil society actors <u>Baseline:</u> No assessments have taken place of the newly accessible areas <u>Indicators:</u> assessments in % of liberated areas | Targets year 1 - Rapid stabilization and recovery assessments carried out in 80% of the main areas which have now become accessible Targets year 2 - Additional assessments carried out for remaining areas that are liberated in year 2 | 1 Activity Result: Develop assessment methodology with local authorities and UN agencies and identify civil society organizations to partner with ▪ Action: undertake consultations 2 Activity Result: Carry out the local assessments with verification missions and prioritization workshops and finalize report ▪ Action: provide advice to local authorities ▪ Action: organize prioritization workshops and translation of assessment reports | UNDP UN agencies Local authorities Civil society organizations | Workshops Surveys/assessments by NGOs Travel Translation Printing |
| Output 2 Iraqi Government is supported to address the immediate stabilization and recovery needs in newly accessible areas which allows for the sustainable return of IDPs | Targets year 1 - 80% of agreed upon priority stabilization and early recovery initiatives by local authorities have been implemented within 6 months Targets year 2 | 1 Activity Result: Implementation structure built up and potential partners identified ▪ Action: redeployment of UNDP Iraqi staff to stabilization and rapid SURGE deployment and new recruitments ▪ Action: pre-qualification of NGOs and capacity assessments of partners | UNDP Local authorities UN agencies NGOs | International and national staffing Contracting (letters of agreement, Micro Capital grants, Responsible Partner agreement) Monitoring |
| <u>Baseline:</u> Iraqi Government took | Targets year 2 | | | |

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|---|--|------------------|--|--|--|
| <p>control of previously ISIL controlled areas and has started some initial urgent repairs of infrastructure mainly water and electricity</p> <p>Indicators: Number of stabilization infrastructural projects. Number of people who receive employment/livelihood support</p> | <p>- Number of stabilization recovery implemented prioritization authorities</p> | <p>of and by</p> | <p>2 Activity Result: Rehabilitation of priority infrastructure in newly liberated areas</p> <ul style="list-style-type: none"> ▪ Action: develop BoQs and tendering ▪ Action: contracting and monitoring <p>3 Activity Result: Jumpstarting of the local economy and income generation such as Cash for Work</p> <ul style="list-style-type: none"> ▪ Action: Selection of implementation partners ▪ Action: Monitoring mechanisms set up <p>4 Activity Result: Technical support to Government authorities</p> <ul style="list-style-type: none"> ▪ Action: Advisory support and deployment of ad-hoc expertise where required <p>5 Activity Result: Design and implementation of social cohesion and dialogue initiatives</p> <ul style="list-style-type: none"> ▪ Action: Micro capital grants for (local) NGOs for restorative justice/local reconciliation ▪ Action: Training of local facilitators ▪ Action: Monitoring of local partners | | |
|---|--|------------------|--|--|--|

IV. ANNUAL WORK PLAN

Year: May 2015 – April 2016

| EXPECTED OUTPUTS <i>And baseline, indicators including annual targets</i> | PLANNED ACTIVITIES <i>List activity results and associated actions</i> | TIMEFRAME | | | | RESPONSIBLE PARTY | PLANNED BUDGET | |
|--|--|-----------|----|----|----|-------------------|----------------|---------------|
| | | Q1 | Q2 | Q3 | Q4 | | Funding Source | Amount in USD |
| Output 1 Rapid local stabilization and recovery assessments are carried out with local authorities, UN agencies and civil society actors | 1. Activity Result: develop assessment methodology -Activity action: undertake consultations | X | | | | UNDP | Travel/DSA | 2,000 |
| <u>Baseline:</u> No assessments have taken place of the newly accessible areas <u>Indicators:</u> % of newly liberated areas which have been assessed with reports available <u>Targets:</u> 80% of newly liberated areas have rapid assessment reports <u>Related CP outcome:</u> | 2. Activity Result: carry out assessment and finalize report -Activity action: advice to Government -Activity action: verification missions, drafting and translation of documents | X | X | X | X | UNDP | Travel/DSA | 53,000 |

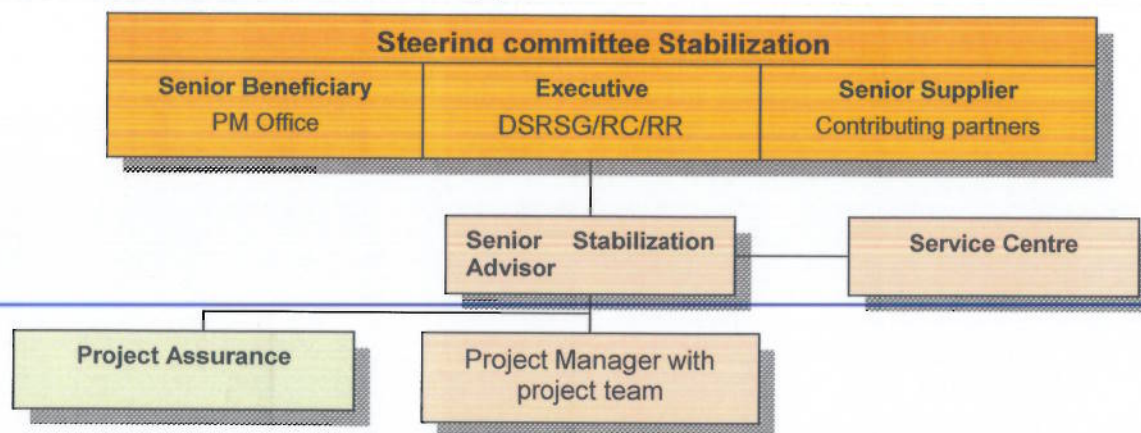
V. MANAGEMENT ARRANGEMENTS

This project is the result of sustained discussions between UNDP, the government of Iraq and the international community on how best to support the stabilization of the newly liberated areas. The Steering Committee of this project will be its overall governance structure and will provide strategic direction, determine the main areas of support, ensure coordination and synergy with Government plans and carry out regular reviews of the overall implementation of activities. The Steering Committee will be Iraq-led, chaired by Iraqi Government's official in charge of stabilization and include representatives of (i) key Government entities (such as ComSec and to be designated by GoI); (ii) the major fund contributing partners; and (iii) UN DSRSG/RC/RR. UNDP will serve as Secretariat and will present monthly overviews and reports of funded projects, implementation status and the financial situation.

This project will be directly implemented (DIM) by UNDP Iraq in consultation with the project's beneficiaries and other project partners. The project will build on the existing project implementation under the Iraqi Crisis Response and Resilience Project and put in place some additional expertise, in particular for procurement/contracting, communications and monitoring. The project will be headed by the Project Portfolio manager and under the overall coordination by the UNDP senior stabilization advisor. The Project Portfolio manager will be responsible to the Steering Committee for overall implementation of the project. The steering committee, which serves as Project Board, comprises the following members:

- **Project Executive:** RR or Country Director of UNDP;
- **Senior Supplier:** Representatives of Donors to the programme;
- **Senior User:** Government of Iraq

The exact TOR of the steering committee will be approved in the first session of the Steering Committee. The EU funded stabilization activities may need to be included in this steering committee, to ensure a coordinated approach.



In the initial start-up phase, the Project Team will consist of the following staff most of whom will be rapid SURGE deployments:

- Project portfolio manager and project specialist (temporary assignment of redeployed staff)
- Procurement expert and project engineer (temporary assignment)
- Local project finance expert (temporary assignment) and project administrative assistant
- Local area coordinators

In the scaling-up phase, the project will put in place an operations centre with delegated authority to fast track implementation with an international Operations manager, international Procurement expert and local procurement officer, local Human Resources expertise and international Finance expert and local project finance officer. The program specialist for Stabilization will ensure the Program Assurance role and be responsible for overseeing implementation of all project activities as well as ensuring that the project produces the outputs and results specified in this project document, in compliance with the required standards of quality, within the specified limits of time and cost and in line with UNDP rules and regulations. Due to limited space in the UN compound in Baghdad, some project staff will need to be based in Erbil.

VI. MONITORING FRAMEWORK AND EVALUATION

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

| MECHANISM | DISTRIBUTION | DESCRIPTION | DEADLINE |
|---|------------------------|---|--------------------|
| Quarterly Progress Report (QPR) | Internal/Project Board | Quarterly reports will record progress towards outputs and financial performance. | Each quarter |
| Annual Review Report and Review meeting | Project Board | An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board. The narrative and financial report will cover the calendar year and contain a summary of results achieved against pre-defined annual targets at the output level. Based on the above report, an annual project review meeting shall be conducted in the first quarter of 2016, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. | First quarter 2016 |
| Issue Log | Internal | An Issue log will be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change. | Continuous |
| Risk Analysis | Internal | A risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation. | Continuous |
| Lessons-learned Log | Internal | A project Lessons-learned log shall be activated and regularly updated to ensure ongoing learning and adaptation within the organisation, and to facilitate the preparation of the Lessons-learned Report at the end of the project. | Continuous |
| Monitoring Schedule Plan | Internal | A Monitoring Schedule Plan shall be activated in UNDP's ATLAS management system and updated to track key management actions/events. | Continuous |
| Final Report | Internal/Project Board | Based on the above report, a Final Report shall be conducted as soon after the conclusion of the project. | End of project |

Quality Management for Project Activity Results

| | | |
|---|--|--|
| OUTPUT 1: <i>Rapid local stabilization and recovery assessments are carried out with local authorities, UN agencies and civil society actors</i> | | |
| Activity Result 1 (Atlas Activity ID) | <i>Assessment</i> | <i>Start Date: May 2015</i> <i>End Date: Dec 2015</i> |
| Purpose | <i>Support local authorities in a rapid assessment of damages and prioritized needs, with costing, in order to guide the stabilization and recovery activities at local level</i> | |
| Description | <i>Advisory support by UNDP, with verification mission to liberated areas with UN partners, prioritization workshops with UN and local authorities and the drafting/printing of reports.</i> | |
| Quality Criteria <i>Quality of assessment reports</i> | Quality Method <i>Comparison between actual cost of recovery activities and assessed cost according to assessment report</i> | Date of Assessment <i>End of year</i> |

| | | |
|---|--|--|
| OUTPUT 2: Iraqi Government is supported to address the immediate stabilization and recovery needs in newly accessible areas which allows for the sustainable return of IDPs | | |
| Activity Results (Atlas Activity ID) | <ol style="list-style-type: none"> 1. Setting up of Project structure 2. Rehabilitation of infrastructure 3. Income generation 4. Government capacity building 5. Social cohesion initiatives | Start Date: May 2015 End Date: Dec 2015 for project structure, other activities by May 2016 |
| Purpose | <ol style="list-style-type: none"> 1. Ensuring the timely implementation of the project. 2. Extending services to citizens 3. Jumpstart local economy 4. Greater Government ownership and capacity 5. Peaceful co-existence | |
| Description | <ol style="list-style-type: none"> 1. Management and project support structure, capacity assessments and pre-qualification of partners, work planning and monitoring mechanism 2. Contracting through LoAs or direct contracting by UNDP. Monitoring by Government technical departments and by Area Coordinator UNDP 3. Contracting through NGOs . Monitoring through local company or Government 4. Technical assistance and possibly some equipment 5. Small grants to local NGOs and technical assistance | |
| Quality Criteria <ol style="list-style-type: none"> 1. Implementation rate against budget 2. Technical reports after rehabilitation 3. Sampling of CfW beneficiaries 4. Government recovery response plans 5. Social cohesion index | Quality Method Quarterly progress report Verification by Government or local companies as independent body | Date of Assessment Quarterly |

VII. LEGAL CONTEXT

This document together with the CPAP signed by the Government and UNDP which is incorporated herein by reference, constitute together a Project Document as referred to in the Standard Basic Assistance Agreement (SBAA); as such all provisions of the CPAP apply to this document. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner", as such term is defined and used in the CPAP and this document.

UNDP as the Implementing Partner shall comply with the policies, procedures and practices of the United Nations safety and security management system.

UNDP will agree to undertake all reasonable efforts to ensure that none of the project funds are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

VIII. ANNEX – RISK LOG

| # | Description | Date Identified | Type | Impact & Probability | Countermeasures / Mngt response | Owner | Submitted, updated by |
|---|--|-----------------|-----------------------|---|--|---------|-----------------------|
| 1 | Volatility of security situation with possibly increased levels of violence and insecurity due to interethnic or religious conflict. Liberated areas may become captured again | May 2015 | Security | Increasing pressure on limited resources. Insecurity will limit access to affected communities and therefore hinder significantly project implementation. Impact: 5 Probability: 3 | Ensure strong coordination and implementation through local authorities and local NGOs. Interventions in liberated areas are subject to principles of engagement. Project develops social cohesion measures to further mitigate the risk and strengthens resilience capacity of authorities and communities. | UNDP CD | Project manager |
| 2 | IDPs are not able to return due to targeted demographic re-engineering efforts. | May 2015 | Political | The impact would be significant as the project specifically targets return of IDPs. The probability is high as many liberated areas are in disputed internal boundary areas (DIBs). Impact: 5 Probability: 5 | No project activities can be carried out if principles of engagement are not met. Ensure a strong focus on dialogue and social cohesion throughout all project components. | UNDP CD | Project manager |
| 3 | Lack of resources and capacity to support project implementation | May 2015 | Operational | Inadequate human and financial requirements hamper implementation. Predictability in funding and quick upscaling of implementation capacity is critical. Impact: 5 Probability: 3 | Ensure close dialogue and consultation with the government and other partners to identify and provide the necessary resources. Invest considerable efforts in fund raising. Fast track project personnel recruitment | UNDP CD | Project manager |
| 4 | Lack of programme ownership by national partners | May 2015 | Strategic/operational | Poor involvement of national counterparts would effectively impede on or cease project activities as well as reduce the sustainability of project results. Impact: 4 Probability: 4 | Clear central government agreement to engage in stabilization through this project. Local rapid assessments are led by local authorities to ensure their buy-in of needs and priorities. Involvement of Government/Governorates in regular review. | UNDP CD | Project manager |
| 5 | Challenges related to re-alignment of ongoing LADP program and the stabilization project | May 2015 | Operational | Alignment between LADP EU and this project is critical. Operational challenges may arise in particular if flexibility by donor is limited or if donor commitments are not honored on time. Impact: 3 Probability: 2 | Joint project review or Steering Committee for all stabilization activities. Consolidated communication to donors on project results. Sharing of human resources where feasible. | UNDP CD | Project manager |