QUARTERLY PROGRESS REPORT

United Nations Development Programme - Iraq

Funding Facility for Stabilisation 00089459 (Output ID 00095684)

January- March 2025

One of the truck mounted cranes provided by UNDP to Anbar Governorate, February 2025 (Photo credit, UNDP Iraq)

<table>
<tr><td>Reporting Period</td><td>1 January 2025 to 31 March 2025</td></tr>
<tr><td>Donor</td><td>USAID, Germany MOFA, Norway, Government of Iraq, UAE, KFW, Korea</td></tr>
<tr><td>Country</td><td>Iraq</td></tr>
<tr><td>Project Title</td><td>Funding Facility for Stabilisation</td></tr>
<tr><td>Project ID</td><td>00089459</td></tr>
<tr><td>Outputs (Project ID and Description)</td><td>Output ID 00095684

Output 1: Iraqi Government in newly liberated areas is supported to address immediate challenges for return of internally displaced persons.
Output 2: High impact medium-sized infrastructure projects are rehabilitated to sustain stabilisation gains (FFES)
Output 3: Exit Strategy is drafted in consultation with the Government of Iraq, for the liberated governorates</td></tr>
<tr><td>2025-2029 CPD Outcomes</td><td>By 2029, people in Iraq, particularly women, girls, youth, and vulnerable populations, benefit from transparent, accountable, inclusive, and effective governance in institutions that enhance peace, the rule of law, and human rights.</td></tr>
<tr><td>Implementing Partner(s)</td><td>UNDP</td></tr>
<tr><td>Project Start Date</td><td>May 2015</td></tr>
<tr><td>Project End Date</td><td>31 December 2026</td></tr>
<tr><td>Total project budget 2025</td><td>$13,310,781</td></tr>
<tr><td>Revenue/Resources received</td><td><table><tr><td>Funding source/donor</td><td>Amount received (USD)</td><td>Expenditure in Q1 2025</td></tr><tr><td>Multiple donors</td><td>$1,513,936,919.36 [1]</td><td>$7,386,062.84</td></tr></table></td></tr>
<tr><td>UNDP Contact Person</td><td>Titon Mitra
Resident Representative
UNDP Iraq
E-mail: titon.mitra@undp.org
Tel.: +964 7887833678</td></tr>
</table>

(1) USD 1,520,694,627 is the total amount received since the inception of the project until the end of Q1 2025.

Table of Content

1. EXECUTIVE SUMMARY 3

2. BACKGROUND 4

3. PROGRESS REVIEW: 6

3.1 PROGRESS TOWARDS PROJECT OUTPUTS 6
3.2. FACTORS AFFECTING THE ACHIEVEMENT OF RESULTS 18

4. CROSS-CUTTING ISSUES 19

4.1 GENDER RESULTS: 19
4.2 PARTNERSHIPS 20
4.3 ENVIRONMENTAL CONSIDERATIONS: 20
4.4 PROJECT MONITORING 20

5. PROJECT RISKS AND ISSUES 21

5.1 PROJECT RISKS 21
5.2 PROJECT ISSUES/CHALLENGES AND ACTIONS 22

6. LESSONS LEARNED 23

7. CONCLUSIONS AND WAY FORWARD 23

8. FINANCIAL STATUS 24

9. ANNEX 25

ANNEX 1: COMMUNICATION IMPACT 25
ANNEX 2: PROJECT RESULTS FRAMEWORK 26

1. Executive Summary

Despite the liberation of Anbar, Ninewa, Salah al-Din, Kirkuk, and Diyala governorates from the Islamic State of Iraq and the Levant (ISIL), the aftermath left widespread destruction across critical socio-economic infrastructure and basic service delivery systems, including water, healthcare, electricity, education, and shelter. Key transportation networks such as roads and bridges were also severely affected, while many communities lost access to stable livelihoods and income sources. In response, the United Nations Development Programme (UNDP), in partnership with the Government of Iraq (GoI) and development partners, launched the Funding Facility for Stabilisation (FFS) to provide a strategic and coordinated framework for reconstruction and recovery in the newly liberated areas.

During this reporting period (Q1 2025), the FFS project concentrated on restoring essential public services and infrastructure, including educational institutions, healthcare centers, water and sanitation systems. FFS completed five infrastructure projects bringing the total to 3,436 infrastructure projects, exceeding the original target of 2,800. These achievements include the rehabilitation of a major water treatment plant and pipeline in Salahaldin, the supply of vocational training equipment in Diyala, school desks for multiple schools in Diyala, specialised heavy equipment to enhance public services in Anbar, and supply of medical furniture and equipment for maternity halls in Hawija and Zab in Kirkuk Governorate.

During Q1 2025, the FFS project trained 98 government officials, including 20 women (20%) on water treatment plant operation and management, urban planning, and zoning regulations in Ninewa Governorate.

The rehabilitation of 206 houses in Anbar, Ninewa, and Salahaldin governorates under the social cohesion component was finalised, benefiting approximately 1,092 people- 546 women (50%).

Challenges

During the reporting period, the project continued to face delays related to the government's procurement process for medical equipment intended for rehabilitated hospitals. These delays have impacted the timely furnishing and operationalisation of the Oncology hospital.

Furthermore, the project experienced persistent delays due to the complex processing requirements for mandatory government approval for customs exemption, which is required to facilitate the transfer of medical equipment between the Kurdistan Region of Iraq (KRI) and the Federal Region. The delays have further hindered progress in completing key project activities within the planned timeline.

Additionally, during this reporting period, the FFS project faced a major setback due to the sudden withdrawal of support from USAID. This decision was made without prior coordination or assessment of its consequences for local communities. As a result, over 60 active stabilisation projects were suspended, including 277 damaged houses left unfinished under the social cohesion component despite their critical importance. This has disrupted the progress of the families returning from Al Hol Camp and vulnerable community members who were left in partially repaired or unsafe shelters. Despite this challenge, FFS project continues to work closely with national and local partners to find solutions, maintain momentum where possible, and advocate for continued investment in Iraq's path to stability and development.

Key lessons learned

Delays in generator procurement highlighted the need for robust supply chain tracking, proactive vendor coordination, and early bottleneck detection. UNDP's structured approach improved procurement efficiency and ensured timely, quality delivery—an essential strategy to maintain implementation momentum.

During the reporting period, the expenditure amounted to USD $7,386,062.84. This reflects the project's progress in utilising allocated resources effectively and efficiently to achieve key objectives.

2. Background

Over the past decade, the Government of Iraq (GoI) has made considerable progress in revitalising the national economy and rebuilding critical infrastructure. Strategic investments in sectors such as oil, technology, transportation, and energy have signaled Iraq's commitment to sustainable development. As reconstruction advances, ensuring that growth is inclusive and equitably distributed across all regions remains a central national priority.

Despite the territorial defeat of the Islamic State of Iraq and the Levant (ISIL), the governorates of Anbar, Ninewa, Salahaldin, Kirkuk, and Diyala continue to face significant recovery needs. These areas present both complex challenges and substantial development potential. Unlocking this potential requires sustained and targeted support to rebuild infrastructure, restore services, and revitalise local economies.

As of March 2025, Iraq has made notable strides in addressing internal displacement. Between 2019 and December 2024[2], the number of internally displaced persons (IDPs) decreased by 40.9%, from 1,744,980 to 1,031,475. Simultaneously, the number of returnees increased by 17%, from 4,211,982 to 4,927,890.[3] Much of this progress is attributed to the closure of displacement camps and voluntary return programs, particularly in project-targeted governorates.

However, data from the IOM Return Index underscores the ongoing difficulties faced by returnees, including limited access to basic services, damaged or insufficient infrastructure, and persistent safety and social cohesion concerns. Between December 2023 and December 2024, the number of returnees living in severe or poor conditions increased by 5,298 individuals. Notably, Salahaldin and Ninewa saw the largest increases, with 7,902 and 5,682 individuals respectively. This trend is largely linked to the closure of camps in Al Sulaymaniyah and Duhok, following the Iraqi Council of Ministers' decision to end camp operations by 30 July 2024, (IOM, 2025)[4] prompting many IDPs to return to areas lacking adequate conditions for reintegration.

In response to these enduring needs, the United Nations Development Programme (UNDP), in partnership with the Government of Iraq and a broad coalition of development partners, is currently implementing the transition phase of the Funding Facility for Stabilisation (FFS). This phase aims to consolidate the significant gains achieved since the facility's inception, with a focus on sustaining results, supporting dignified returns, and reinforcing the foundations for longer-term recovery and development in the liberated areas. While notable progress has been made, the scale and complexity of the remaining challenges continue to require targeted and sustained international support. The recent decision by the United States Government to cease its financial contribution to FFS project in

[2] Round 134 published in December 2024 is the most recent DTM available.
[3] International Organisation for Migration (IOM), Feb., 12,2025. DTM Iraq – Report- Round 134. IOM, Iraq
[4] International Organisation for Migration (IOM), Jan., 2025. Return Index Iraq – Report- Round 23. IOM, Iraq

March 2025 has created a substantial funding gap, which may affect the continuity of critical stabilisation activities.

This evolving context underscores the urgency of continued collaboration, resource mobilisation, and strategic investment to preserve hard-won progress and promote lasting stability in Iraq.
This evolving context highlights the critical importance of continued collaboration and investment to consolidate gains, support safe and dignified returns, and foster long-term stability in Iraq.

3. Progress Review:

3.1 Progress towards PROJECT OUTPUTS

Project Output 1: Iraqi Government in newly liberated areas is supported to address immediate challenges for return of internally displaced persons

Summary achievement against project targets

Indicator	Cumulative Output Target (Year 2025)	Cumulative Summary achievement	Status
Indicator 1.1. % of early needs assessments carried out in FFS targeted liberated areas ***Baseline (2015):*** 0	100%	100%	*Achieved*
Indicator 1.2. # of infrastructure projects for basic services (water, health, education, electricity, housing, roads and bridges, sewage and municipal services) which have been restored[5] in target areas ***Baseline (2015):*** 0	2,800	3,436 **Q1 2025 Achievement:** 5 infrastructure projects completed	On track
Indicator 1.3. # of houses rehabilitated in liberated areas ***Baseline (2015):*** 0	30,000	38,138	Achieved
Indicator 1.4. # of immediate livelihood opportunities created for	53,000 (7,500 women; 22,000 youth)	49,830 (8,444 women; 648 youth)	*Unachieved*[6]

[5] 'Restored', includes renovation/rehabilitation and/or provision of equipment and furniture officially accepted by the Government of Iraq counterparts.
[6] This activity was completed even though the target was not achieved, thus not planned for 2025.

Indicator	Cumulative Output Target (Year 2025)	Cumulative Summary achievement	Status
individuals, including women and youth in the target areas ***Baseline (2015):*** 0			
Indicator 1.5. # of business grants provided in the target areas (gender disaggregated) ***Baseline (2015):*** 0	8,000 (3,100 women)	4,389 (3,015 women)	*Unachieved*[7]
Indicator 1.6. # of small grants provided to women-headed households ***Baseline (2015):*** 0	10,000	6,618	*Unachieved*[8]
Indicator 1.7. # of training opportunities and/or job placement created for individuals, including women and youth in the target areas ***Baseline (2015):*** Limited	8,000 (2400 women)	1,437 (646 women)	*Unachieved*[9]
Indicator 1.8. # and type of technical advisory support capacities in place to support authorities in the target areas to plan and execute stabilization activities ***Baseline (2015):*** Limited	Area Coordinators and Stabilization Advisors in place to support stabilization planning and communication; minimum of 10 Municipal Stabilization Advisors (MSAs) embedded	2 Area Coordinators and 5 Transition Strategy Implementation Coordinators.[10] 15 Operational & Maintinance Capacity Development Advisory	Achieved[11]
Indicator 1.9. # of capacity building opportunities created for government officials and employees (gender disaggregated)	3,000 (900 women)	23,216 (5,400 Women) **Q1 2025 achievement:** 98 (20 Women)	Achieved[12]

[7] This activity was completed in 2023 even though the target was not achieved. Thus not planned for 2025.
[8] This activity was completed even though the target was not achieved, thus not planned for 2025.
[9] This activity was completed even though the target was not achieved, thus not planned for 2025.
[10] As reporting in annual report, UNDP replaced the services of MSAs with Transition Strategy Implementation Coordinators and Operational & Maintenance Advisory who provide technical advisory services related to planning, coordination, and communication during the implementation of the transition strategy.
[11] This indicator was achieved as the intended staff were based on project phase. Since the project is in transition, the initially planned staff are no longer needed, thus the reduction.
[12] Here are more capacity-building initiatives being undertaken to be completed in 2025.

Indicator	Cumulative Output Target (Year 2025)	Cumulative Summary achievement	Status
Baseline (2015): Limited			
1.10) # of participants of social cohesion activities (gender disaggregated) ***Baseline (2015):*** 0	40,000 (16,325 women)	104,169 (44,051 women)[13] **Q1 2025 achievement**: 1,092 (546 women)	*Achieved*
Overall status			**On track**

Description of Results

1.1 Needs assessments carried out in target areas.

FFS project carried out needs assessments during the early years of implementation that informed the design of activities. FFS project continues to maintain and update a tracker of pipeline projects in consultation with the governorates. No needs assessment was conducted during the reporting period.

1.2. Basic service infrastructure projects restored

Five infrastructure projects for basic services were completed including one rehabilitation and four supply as shown in the table below. Sectors covered were mainly water, education, health, and municipality as shown in the table below. These infrastructure projects are expected to improve basic service delivery in the target governorates. A total of 16 projects is under implementation while 63 were terminated due to USAID funds cuts.

Governorate	Education	Health	Municipality	Water	Beneficiaries	Total Projects
1-Anbar			1[14]		20,000	1
2-Salahaldin				1	20,000	1
3-Diyala	2[15]				19,000	2
5-Kirkuk		1[16]			0[17]	1
Grand Total	2	1	1	1	59,000	5

[13] 6,233 people (2,787 women) were engaged in social cohesion activities during 2024, which was not previously reported.
[14] This is a supply project.
[15] These are supply projects.
[16] This is a supply project.
[17] UNDP is engaging Kirkuk Health Directorate to functionalise maternity unit by recruiting medical personnel for the unit.

Education Sector Infrastructure:

The FFS project completed two projects which enhanced access to education of 19,000 learners:

- Supply and installation of tools and equipment for four workshops at the Diyala Vocational Training Center, benefiting 3,000 learners.
- Supply of 3,500 double-seat desks and whiteboards for schools in Diyala benefiting 16,000 students.

Muna and her friends are thrilled to start every day's lesson after UNDP's supply of desks and white boards to their school, January 2025 (Photo credit, UNDP Iraq)

The support contributed to an improved learning environment by addressing shortages in school furniture and teaching-learning materials. Equipping Vocational Training Centers with tools strengthened vocational skills development of vulnerable groups tailored to the needs of the local community, thus contributing to improved employability and livelihoods.

Health Sector Infrastructure:

The FFS project completed one project from the health sector that involved the supply of medical furniture and equipment for maternity halls in Kirkuk (Riyadh and Zab). An assortment of 53 medical equipment - see table below for details that were delivered and installed. UNDP is engaging with the Health Directorate of Kirkuk to ensure that the hospital is equipped with maternity medical personnel to improve the quality of maternal and newborn health care.

Supplied and installed medical equipment for maternal and newborn health care

#	Item name	Packing unit requested	Quantity
1	Heavy-duty desktop fetal Doppler.	units	2
2	Examination couch	units	6
3	Footstep	units	6
4	Screen Paravan	units	6
5	suction pump	units	2
6	Instrument trolley	units	6
7	Resuscitator	units	2
8	Obstetric Delivery Bed.	units	2
9	Autoclave (steam sterilizer) (75L)	units	2
10	Mechanical bed	units	4
11	Over-bed Table	units	4
12	Bedside cabinet	units	4
13	Stand IV,	units	4
14	Patients monitor basic unit	units	1
15	Infant Incubator	units	2
	Total		**53**

Municipality infrastructure:

UNDP completed one project- Provision of six truck- mounted cranes (7-ton and 10-ton) for various municipalities and departments) of Anbar governorate. This enhanced essential public service delivery for a catchment population of over 20,000 residents in Al-Qaim, Rawa and Falluja in Anbar Governorate.

Below is the table showing details of the distribution by directorate.

Directorate	Division	Truck mounted crane 7 ton	Truck mounted crane 10 ton
Al-Qaim Electricity Sector	Directorate of Highest Euphrates for Electricity Distribution	3	1
Rawa Municipality Directorate	General Directorate of Anbar Municipalities - Rawa Municipality Directorate	1	0
Falluja Water Center	Directorate of Water in Anbar - Falluja Water Center	1	0

Water sector infrastructure:

UNDP completed one water infrastructure rehabilitation project of a main water conveyor pipe and steel supports in the Aqsu River, serving the Touz - Kifry Water Treatment Plant.

The initiative also included the replacement of old, damaged pumps with new, high-capacity units and serves a catchment population of over 20,000 people.
The restoration of this water facility and upgrading the pumping system improved the volume and

Delivered truck-mounted cranes to Anbar governorate, January 2025. (Photo credit, UNDP IRAQ)

efficiency of water distribution, helping to meet the growing demand and enhance public health and resilience in communities of Suleiman Bek, Amerli, Jabbara, and Kifry.

Main water conveyor pipe and steel support in the Aqsu River, serving the Touz - Kifry Water Treatment Plant, March 2025, Photo credit/ UNDP Iraq

1.3 Houses Rehabilitated

During Q1-2025, no housing project was completed under indicator 1.3. Cumulatively, 38,138 housing units have been rehabilitated exceeding a target of 2,800, providing safe and adequate housing for 291,438 individuals. Among the beneficiaries, 127,303 women have gained access to improved living conditions, underscoring efforts to promote gender equality through inclusive housing solutions.

During the reporting period, three out of five initiated cases were awarded, targeting the rehabilitation of 757 partially damaged housing units. Once completed, these efforts are expected to directly benefit over 4,500 individuals, including 2,440 women. The rehabilitation projects are anticipated to be finalised by Q3 2025.

1.4. Immediate livelihood opportunities created

There was no progress under this indicator as all activities were completed and reported during previous reporting periods.

1.5. Business grants provided.

There was no progress under this indicator as all activities were completed and reported during previous reporting periods.

1.6. Small grants provided to women-headed households.

There was no progress under this indicator as all activities were completed and reported during previous reporting periods.

1.7. Training opportunities created .

There was no progress under this indicator as all activities were completed and reported during previous reporting periods.

1.8 Technical advisory support capacities provided to support authorities to plan and execute stabilisation activities

The FFS project continued with Operation and Maintenance (O&M) advisory services for long-term local capacity for essential service delivery. Through two Area Coordinators and five Transition Strategy Implementation Coordinators, UNDP provided targeted support to local authorities in planning, coordination, and communication. This shift ensures that the skills and systems developed under the project will endure beyond its closure.

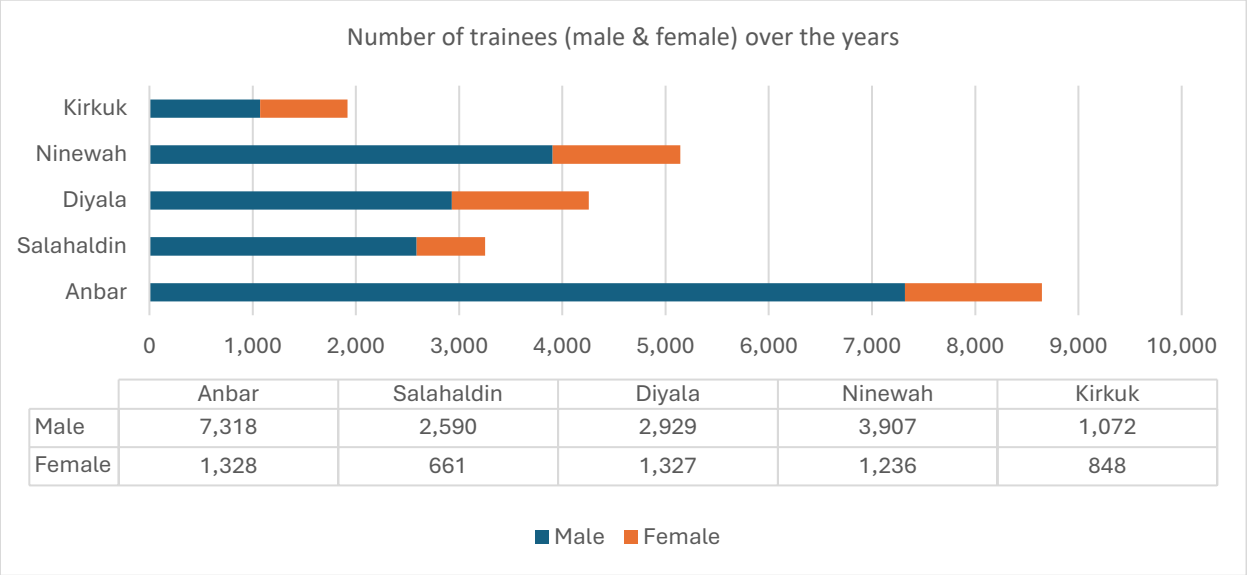
During the reporting period, 15 O&M Advisors delivered more than 90 on-site technical support sessions, significantly enhancing the ability of government staff to operate and maintain rehabilitated infrastructure across critical sectors, including water, health, education, electricity, roads, bridges, sewage, and municipal services. This sustained capacity development directly strengthened governance, safeguarded infrastructure investments, and underpins the long-term stability of liberated areas.

1.9 Capacity building opportunities created for government officials and employees

During the reporting period, the project trained **98** government employees, including **20** women, and equipped with skills to effectively operate and maintain equipment and rehabilitated infrastructure. A total of **five training courses** were conducted in Ninewa Governorate in different sectors, including agriculture, water, and municipality. The project will continue to monitor the gained skills and their impact to ensure sustainable planning and sustainable urban development.

Since the launch of the FFS project in 2015, a total of 23,216 government officials and employees, including 5,400 women, have benefited from capacity-building activities surpassing the original target of 3,000 beneficiaries, as shown in the table below. These efforts have strengthened the capacities of Iraq's institutions, particularly women, enabling them to lead, participate in, and contribute to the design and delivery of equitable and responsive services.

Year	Anbar	Salahaldin	Diyala	Ninewa	Kirkuk	Grand Total
2021	239	30	131	128		528
2022	4,704	876	2,202	1,689	690	10,161
2023	2,744	2,019	1,518	2,528	988	9,797
2024	959	326	405	700	242	2,632
2025				98		98
Grand Total	**8,646**	**3,251**	**4,256**	**5,143**	**1,920**	**23,216**



	Anbar	Salahaldin	Diyala	Ninewah	Kirkuk
Male	7,318	2,590	2,929	3,907	1,072
Female	1,328	661	1,327	1,236	848

1.10. Social cohesion activities promoted

During the reporting period, the project engaged 1,092 individuals (546 women) in social cohesion activities, complementing the 6,233 individuals (2,787 women) reached in 2024 who were not reflected in the previous annual report. These efforts were anchored in the rehabilitation of 206 damaged houses against a target of 497 houses supporting the socio-economic reintegration of Al Hol returnees and vulnerable community members. Rehabilitation works were completed in Al Qaim,

Rummanah, and Karbala (Anbar Governorate); Baiji and Shirqat (Salahaldin Governorate); and Mosul (Ninewa Governorate).

Since project inception, 104,169 individuals (44,051 women) have directly participated in social cohesion activities exceeding the original target of 40,000. This reflects the project's significant contribution to fostering reconciliation, rebuilding trust, and supporting durable returns in areas of intervention. However, some planned interventions were affected by external factors. Rehabilitation of 10 houses in Kirkuk Governorate was terminated following leadership changes in the local committee. In Mosul and Rummanah, four households opted to self-rehabilitate due to delays (4–6 months) between selection, assessment, and implementation. The remaining 277 houses could not be completed due to the termination of USAID funding. Despite these challenges, the progress achieved demonstrates the tangible impact of linking housing rehabilitation with social cohesion interventions, reinforcing community resilience and stability.

Project Output 2: High-impact medium-sized infrastructure projects are rehabilitated to sustain stabilisation gains (FFES)

Summary achievement against project targets

Indicator	Cumulative Output Target 2025	Summary cumulative achievement	Status:
Indicator 2.1) # of medium-size infrastructure projects implemented in the newly liberated areas **Baseline (2015):** 0	150	133	Unachieved

2.1 Medium-size infrastructure projects implemented in the newly liberated areas

In Q1-2025, there were no medium and large-sized infrastructure projects completed. Since its inception, the FFS project has completed 133 medium and large-sized infrastructure projects for basic services under the Funding Facility for Expanded Stabilisation (FFES) against a target of 150. These projects played a crucial role in improving the quality, accessibility, and efficiency of basic services, contributing to the overall development and well-being of the communities they serve. Three projects including supply of medical equipment in Fallujah Teaching Hospital, supply of medical equipment for Tikrit Teaching Hospital, and rehabilitation of Oncology Hospital are under implementation, while 14 projects did not get funding.

Project Output 3: Exit Strategy is drafted in consultation with the Government of Iraq, for the liberated governorates

Summary achievement against project targets

Indicator	Cumulative Output Target 2025	Summary cumulative achievement	Status:
Indicator 3.1) Exit Strategy for post-FFS stabilisation and development work in the liberated governorates drafted and finalised. **Baseline (2020):** 0	Exit strategy drafted and finalised	The transition strategy drafted, reveiwed by stakeholders and approved by GOI	Achieved
Overall status			**Achieved**

3.1. Exit Strategy for post-FFS stabilisation in the liberated governorates drafted and finalised.

By the end of 2024, the FFS Transition strategy (2024-2026) was approved by the GOI as reported in the Annual report.

In Q1- 2025, the FFS project continued to maintain the operation of PRISM[18] as part of the exit strategy, with an aim of handing over the online system to the GOI. During Q1 2025, multiple meetings were held with the firm to finalise UNDP's requirements and translate field data into a systematic, digitized online format. A meeting was organised for the global stabilisation unit to present PRISM to show the design and capabilities for connecting multiple projects and presenting one large illustration platform along with the functionality of the tools and functions with prospects of its adoption for the global stabilisation unit.

Key Ongoing Project Activities

1. Oncology and Nuclear Medicine Hospital, Al-Shifaa Complex: completion rate of 98%, expected to be finished within Q2 2025.
2. Waladi Textile Factory- Ninawa Governorate, Iraq**:** completion rate of 87%, expected to be finished within Q3 2025.
3. Agricultural Technical Institute in Nimrod -Ninawa Governorate-Iraq**:** completion rate of 94%, expected to be finished within Q2 2025.

[18] This online system contains all data relating to all project interventions since inception whose handover to the GOI will be instrumental in sustainability of these interventions.

4. Casting and curb of Hay Al Askari in Kanan sub district**:** completion rate is 20% and expected to be completed in Q3 2025.
5. Rehabilitation of main water pumping station for Western Desert Water Project in Anbar: currently 98% complete and is expected to be finalised in Q2 2025.
6. Supply and Installation of medical equipment in 3 operation theaters in Baiji General Hospital, Salahaldin Governorate: During Q1 2025, partial delivery and installation was done with final installation and commissioning of all medical equipment scheduled for Q2 2025.
7. Supply and installation of Oxygen Plant for Hawija Hospital, Kirkuk.
8. Supply and installation of medical equipment in Fallujah Teaching Hospital – Fallujah; completion rate is 60%, delivery and installation is expected to be completed by Q3 2025.
9. Supply and Installation of Medical Equipment (part-2) for Tikrit Teaching Hospital (TTH), Tikrit – Salahaldin governorate (AWP2021-POOL); completion rate is 20%, delivery and installation is expected to be completed by Q4 2025.
10. Rehabilitation and extension of the Dentist College buildings in Tikrit University: Completion at 93% and expected to be completed by Q3 2025.
11. Rehabilitation of the delivery room and the emergency department in the center of Yathrib: Completion at 87% and expected to be completed by Q4 2025.
12. Rehabilitation of Sayed Mohammed WTP in Balad: Completion at 2% and expected to be completed by Q1 2026.
13. Rehabilitation of the Burn Medicine Building in Baquba General Hospital: Completion at 99% and expected to be completed by Q2 2025.
14. Replace water networks (110-160-225) mm of Hay Alaskari in Kanan sub district: Completion at 89% and expected to be completed by Q3 2025.
15. Supply and Install Electrical and Electronic Tools and Equipment for VTC of Diyala: Completion at 42% and expected to be completed by Q4 2025.
16. Supply and Install IT Tools and Equipment for Diyala Vocational Training Center: Completion at 65% and expected to be completed by Q3 2025.

3.2. Factors affecting the achievement of results

The delays by the GOI to deliver on their commitment continue to hinder the completion of major projects as reported in the annual report. Pending activities under the Oncology hospital include testing the linear accelerators and the shielded rooms in addition to deliver and install other medical equipment and furniture.

The sudden withdrawal of USAID funding: 63 stabilisation projects were suddenly halted due to the unexpected termination of USAID financial support to UNDP. The decision created major disruptions in service delivery, delayed critical infrastructure improvements, and left several communities without access to urgently need support.

In addition, 291 damaged houses that were under rehabilitation through the social cohesion initiative in Anbar, Kirkuk, and Ninewa governorates were left unfinished due to the termination of USAID support and local political issues, further impacting reintegration and community acceptance efforts.

4. Cross-cutting issues

4.1 Gender results:

During Q1 2025, 20 of the 98 government officials and employees trained were women (20.4%). This played a crucial role in enhancing women's ability to lead, participate, and contribute to the design and delivery of equitable and responsive services in Iraq. Women have been equipped with important technical and managerial skills across various fields, including water treatment, modern agricultural irrigation and urban planning. These initiatives have empowered women to take on active roles in traditionally male-dominated sectors, strengthening their involvement in decision-making processes and ensuring that their contributions are integral to the sustainability of FFS interventions.

UNDP continued enhancing women's empowerment in Diyala through the supply and installation of tools and equipment for the Vocational Training Center. By equipping four specialised workshops with modern tools and equipment, the initiative has directly benefited approximately 750 women, providing them with access to high-quality vocational training opportunities.

Of the 206 houses that were rehabilitated, an estimated 90 were women-headed households. Many returnees from Al Hol are women, either widowed or without a male companion, which could make their reintegration more challenging.

These projects have significantly contributed to enhancing women's skills, improving their livelihoods, and increasing their participation in the local economy. More importantly, they have empowered women to take on active and visible roles in community development, breaking traditional gender norms and promoting equal participation.

Providing secure and dignified housing facilitated the reintegration of women headed households, promoting community acceptance. The rehabilitation of these houses not only restores safe living conditions but also enhances community security and stability.

4.2 Partnerships

The collaboration between USAID, Germany (MOFA), KfW, Norway, and the Government of Iraq (GoI) has been fundamental in supporting the five projects that addressed critical needs in the governorates, especially in Anbar, Salahaldin, Ninewa, and Diyala. These projects reflect the positive outcomes of effective partnership and shared commitment to long-term development and stabilisation. UNDP also closely coordinates with the Ministry of Migration and Displacement when designing and implementing socioeconomic reintegration initiatives under the social cohesion component.

4.3 Environmental Considerations:

The UNDP's project to rehabilitate the main water treatment and pumping station for the Western Desert Water Project in Anbar Governorate carefully addressed environmental factors to ensure sustainability and reduce negative impacts. The water treatment systems, including the sedimentation tank, filtration units, alum and chlorination systems, along with the pumping station, collectively ensure environmental protection.

As part of the Fallujah Teaching Hospital rehabilitation, UNDP incorporated advanced techniques recommended by the Ministry of Health to manage medical waste responsibly and minimise environmental impact. Specifically, the use of autoclave shredder instead of incinerators to treat medical waste reduces air pollution. This ensured that infectious, pathological, sharps, chemical, pharmaceutical, Cytotoxic, and radioactive waste were effectively managed to avoid groundwater and waterways pollution, thereby protecting aquatic life and agricultural irrigation systems.

4.4 Project Monitoring

In Q1 2025, UNDP carried out 15 monitoring missions to completed projects, covering 77 infrastructure interventions, along with 10 follow-up missions for ongoing projects. The joint UNDP-

Council of Ministers' Secretariat (COMSEC)[19] monitoring missions played a critical role in evaluating the functionality of completed infrastructure and equipment, general condition of the visited facilities and identifying opportunities for improvement. The monitoring highlighted several results of completed infrastructure, gaps, risks, and challenges. The monitoring results from end users revealed that most rehabilitated infrastructure projects were functioning as expected, showing improvements in accessibility, service delivery, and overall user satisfaction. Notably, education and health infrastructure experienced increased utilization, with hospitals reporting higher patient intake and schools seeing increased enrollment. Electricity projects also saw significant progress, with enhanced power distribution manifested by increase in connections, and reliability. Some infrastructure projects needed additional maintenance, while others lacked necessary accessibility features for persons with disabilities. Budget constraints for long-term maintenance and sustainability were identified as ongoing concerns, particularly in the education sector. The growing demand for services, especially in health and electricity, further underscored the need for continued investment in infrastructure development by the Government of Iraq (GOI).

Additionally, ongoing projects were monitored to assess the progress, quality of work, and adherence to timelines, identifying any issues that could delay completion or impact outcomes. The missions also provided feedback to project teams, helping them proactively address challenges and ensure that adjustments could be made to keep the projects on track.

5. Project risks and issues

5.1 Project Risks

Risks	Mitigation Measures
Delay in supplying the water pumps for the rehabilitation of Main Water Pumping Station in Anbar	FFS project continues to follow up with the contractor and maintain a mitigation plan until the completion of the supply of water pumps.
Shutdown of the whole project for rehabilitation of main water pumping Station to install the main electrical board	FFS project conducted announcement to the affected community to store water for 3 days and prepare a plan to use another power source if the installation is delayed for more than 5 days.

[19] This is the administrative arm of the Council of Ministers, responsible for coordinating and facilitating government decision-making, following up on the implementation of cabinet resolutions, and liaising between ministries, agencies, and the Prime Minister's Office. It also plays a key role in policy formulation support, inter-ministerial coordination, and ensuring that government operations align with national priorities.

Labor safety risks	UNDP conducts comprehensive safety reviews and continuously enhances safety protocols to prevent incidents. UNDP has assigned to the site a full-time safety engineer to ensure that safety measures and protocols are abided to.
Delays in installation of the main board for water station, which required to shut down the project	UNDP communicated with the Governor's office to inform the community of the expected water supply shortage for 7 days and prepare an alternative plan for power supply.
Abrupt donor disengagement may disrupt ongoing recovery efforts, undermine community trust, stall institutional progress, and expose both UNDP and the donor to reputational risk by jeopardising the sustainability of community-level economic gains.	UNDP proactively engaged with the Government of Iraq and development partners to establish a robust exit framework, strengthen multi-donor coordination mechanisms, and promote national ownership. These measures aim to safeguard recovery achievements, ensure continuity of impact, and foster long-term resilience beyond the project lifecycle.

5.2 Project issues/challenges and actions

Project Issue/Challenge	Action Taken
Sudden withdrawal of USAID funding: 63 stabilisation projects were suddenly halted due to the unexpected and unannounced termination of USAID financial support to FFS. Additionally, the suspension of housing rehabilitation initiative in Anbar, Salahaldin, and Kirkuk governorates under the social cohesion component directly affected 277 houses that were left unfinished. The decision created major disruptions in service delivery, delayed critical infrastructure improvements, and left several communities without access to urgently need support.	UNDP embarked on the project closure processes for proper hand over to the Iraqi government. This involved field visits to take stock of the completion rate, doing a detailed technical and financial assessment, ensuring the safety of the sites and affected homes. Negotiations with the respective contractors on the terms of termination were conducted.
Delay in generator procurement: The delivery of the generators was delayed.	FFS embarked on tracking all equipment orders with a detailed delivery schedule and most of the equipment is on site now. The project maintained close coordination with suppliers and contractors to ensure timely delivery and identify any bottlenecks early on. UNDP ensured that factory tests were made to ensure the equipment meets the required specifications.
Delays in customs exemption approval to transfer medical equipment from supplier store in Erbil (Kurdistan Regional	UNDP continues to coordinate with Kurdistan Regional Government and Federal Government for the customs exemption letters of the pending equipment.

Project Issue/Challenge	Action Taken
Government) to health Facilities in Federal Government.	
There have been delays in the manufacturing of some of the medical equipment, which resulted in a delay in obtaining medical equipment shipping documents. This further delayed obtaining a tax exemption letter from local authorities.	Prior communication was made to the supplier about the need for quick action by sending the bill of quantity with equipment specifications immediately after the contract was awarded. Continuous follow-up is being done.

6. Lessons Learned

Timely delivery of critical equipment is essential to maintaining project momentum and meeting implementation deadlines. Delays in generator procurement underscored the importance of establishing rigorous supply chain tracking systems, proactive coordination with vendors, and early identification of bottlenecks. By adopting a structured approach, including detailed delivery schedules, regular follow-ups, and factory testing for quality assurance. UNDP enhanced procurement efficiency and safeguarded technical compliance. This approach should be institutionalised across future projects to mitigate supply chain risks and ensure smooth execution of infrastructure-related interventions.

7. Conclusions and Way Forward

The Funding Facility for Stabilisation (FFS) has made significant achievements in supporting Iraq's recovery, addressing critical infrastructure needs in conflict-affected areas during the reporting period. These efforts, building on the previous achievements, have laid the groundwork for long-term stability and economic growth, supporting the reintegration of displaced persons and rebuilding trust in communities. As UNDP works to complete the remaining infrastructure projects, challenges remain in ensuring the quality delivery of essential services—such as healthcare, education, reliable electricity, and clean water and in meeting the ongoing needs of both returnees and host communities.

The Iraqi government should therefore commit to the responsibilities of operationalising and maintaining of rehabilitated infrastructure, providing the needed human resource to deliver essential services.

8. Financial Status

#	PARTNER	CONTRIBUTION (US$)	RECEIVED (US$)	REPURPOSED (US$) FOR COVID-19 RESPONSE
1	Australia	20,271,031.64	20,271,031.64	-
2	Austria	6,697,025.93	6,697,025.93	-
3	Belgium	16,376,477.17	16,376,477.17	(1,000,000.00)
4	Bulgaria	227,272.73	227,272.73	-
5	Canada	39,844,770.52	39,844,770.52	(1,824,817.52)
6	Czech Republic	1,756,064.83	1,756,064.83	-
7	Denmark	54,182,714.61	54,182,714.61	-
8	Estonia	29,411.76	29,411.76	-
9	European Union	74,080,468.01	74,080,468.01	-
10	Finland	11,677,011.91	11,677,011.91	-
11	France	6,234,739.72	6,234,739.72	-
12	Germany	382,485,924.97	382,485,924.97	-
13	Greece	59,420.00	59,420.00	
14	Iraq	34,250,000.00	19,499,496.00	-
15	Italy	22,194,405.38	22,194,405.38	-
16	Japan	36,575,732.81	36,575,732.81	-
17	Kuwait	2,000,000.00	2,000,000.00	-
18	Malta	34,285.71	34,285.71	-
19	Netherlands	107,458,478.01	107,458,478.01	(2,000,000.00)
20	New Zealand	3,500,000.00	3,500,000.00	-
21	Norway	72,001,166.00	72,001,166.00	-
22	Poland	3,038,128.77	3,038,128.77	-
23	Republic of Korea	27,350,495.00	27,350,495.00	-
24	Romania	56,306.31	56,306.31	
25	Slovakia	113,125.79	113,125.79	-
26	Sweden	61,584,468.13	61,584,468.13	(2,000,000.00)
27	Turkey	750,000.00	750,000.00	-
28	United Arab Emirates	60,000,000.00	59,000,000.00	-
29	United Kingdom	41,807,993.65	41,807,993.65	-
30	United States of America	427,300,000.00	427,300,000.00	(10,026,101.00)
TOTAL		1,513,936,919.36	1,498,186,415.36	(16,850,918.52)

9. Annex

Annex 1: Communication Impact

UNDP continued to share impactful content across multiple platforms, effectively showcasing the results of its stabilisation efforts in Iraq. Social media remained a cornerstone of its outreach strategy, offering valuable insights into the progress of FFS projects. These initiatives focused on critical areas such as infrastructure rehabilitation including municipalities and water systems—livelihood revitalisation, and women's empowerment.

Compelling visual content played a pivotal role in highlighting the success of these projects, helping to galvanise support and amplify UNDP's mission. Below is a summary of key stories and highlights from the quarter:

Learn more about Haider's story

Facebook

Twitter EN

Twitter AR

LinkedIn

Threads

Instagram

AR:go.undp.org/38g

EN: go.undp.org/38Q

Learn more about Rajwan's story:

Facebook

Twitter EN

Twitter AR

LinkedIn

Threads

Instagram

AR: **https://go.undp.org/3Uz**

EN: **ttps://go.undp.org/3UR**

International Women's Day: Empowered Women Create Empowered Societies

AR **go.undp.org/3NL**

EN **go.undp.org/3NE**

Annex 2: Project results framework

Country Programme Document (2025-2029): Outcome 3 By 2029, people in Iraq, particularly women, girls, youth, and vulnerable populations, benefit from transparent, accountable, inclusive, and effective governance in institutions that enhance peace, the rule of law, and human rights.
Outcome indicators as stated in the Country Programme Document (2025-2029) Results and Resources Framework, including baseline and targets: **CPD (2025-2029) Outcome indicator 3.1**. Social Cohesion and Reconciliation Index (SCORE) [Baseline (2025): TBD Target (2029): TBD
Applicable Outcome from the UNDP Strategic Plan (2022-2025): **Tier 2. Outcome 1**: Structural transformation accelerated, particularly green, inclusive and digital transitions
Project title and Atlas Project Number: Funding Facility for Stabilisation (00089459)
Supplementary Outcome Indicators: Increase in percentage of internally displaced persons returning to liberated areas % of returnees that report satisfaction with the improved living conditions (considering the FFS activities across all four windows) in the target areas
OUTPUT 1. Funding Facility for Immediate Stabilisation Iraqi Government in newly liberated areas is supported to address immediate challenges for return of internally displaced persons.

#	Output Indicators[20]	Baseline (Year)	Output Targets	Progress Update (Q1 2025)
1.1	% of needs assessments carried out in target areas	0 (2015)	100%	100%

[20] Given the scale and complexity of the Project, and the evolving country context, revisions to the indicators and targets will be made and documented along with justifications for the changes.

1.2	# of infrastructure projects for basic services (education, electricity, health, housing, municipal services, roads and bridges, sewerage, and water) restored[21] in target areas	0 (2015)	2,800	**3,436 -** projects completed: • Education: 1,208 • Electricity: 361 • Health: 575 • Housing: 142 • Municipalities: 677 • Roads & Bridges: 52 • Sewerage: 108 • Water: 313
1.3	# of houses rehabilitated in target areas	0 (2015)	30,000	38,138
1.4	# of immediate livelihood opportunities created for individuals, including women and youth[22] in the target areas	0 (2015)	53,000 [7,500 w] [22,000 y]	49,830 [8,444 w] [17,938 y]
1.5	# of business grants provided in the target areas (gender disaggregated).	0 (2015)	8,000 [3,100 w]	4,389 [3,015 w] [1,623 y]
1.6	# of small grants provided to women-headed households	0 (2015)	10,000	6,618
1.7	# of training opportunities and/or job placement created for individuals, including women and youth, in the target areas.	Limited (2020)	8,000 [2,400 Women]	1,437 [646 Women]
1.8	# and type of technical advisory support capacities in place to support Authorities in target areas to plan and execute stabilisation activities	Limited (2015)	Area Coordinators and Transition Strategy Implementation Coordinators in place to support stabilisation planning and communication; minimum of 10 O&M Capacity Development Advisors (CDAs) are embedded.	2 Area Coordinators and 5 Transition Strategy Implementation Coordinators are in place. 12 O&M Capacity Development Advisors (CDAs) deployed within government entities.
1.9	# of capacity-building opportunities created for government officials and employees (gender disaggregated)	Limited (2020)	3,000 [900 w]	23,216 [5,400 w]

[21] "Restored" includes renovation/rehabilitation and/or provision of equipment and furniture officially accepted by Government of Iraq counterparts.

[22] Aged under 30.

1.10	# of participants of social cohesion activities (gender disaggregated)	0 (2015)	40,000 [16,000 w]	104,169 (44,051 women)[23]
OUTPUT 2. Funding Facility for Expanded Stabilisation **High-impact, medium-size infrastructure projects are rehabilitated to sustain stabilization gains**				
2.1	# of medium-size infrastructure projects implemented in the target areas	0 (2015)	150	133
OUTPUT 3. FFS Exit Strategy **Exit strategy is drafted in consultation with the Government of Iraq for the liberated governorates**				
3.1	Exit strategy for post-FFS stabilization and development work in the liberated areas is drafted, approved, and implemented	No exit strategy drafted (2020)	Exit strategy drafted and finalized	Exit Strategy drafted, approved and under Implementation

[23] 6,233 people (2,787 women) were engaged in social cohesion activities during 2024, which was not previously reported.