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# IRAQ NATIONAL HOUSING POLICY 2025-2030

## Sustainable Housing and Urban Development Policies and Strategies

# BEIT

Building Equitable and Inclusive Transformation

# #TAEUFIQ

TeAm EUrope For IraQ







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# Iraq National Housing Policy 2025-2030



## BEIT

Building Equitable and Inclusive Transformation

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# Acronyms

|    |            |                                                              |
|----|------------|--------------------------------------------------------------|
| 1  | GoI        | Government of Iraq                                           |
| 2  | KRG        | Kurdistan Regional Government                                |
| 3  | MOCHPM     | Ministry of Construction, Housing, and Public Municipalities |
| 4  | MOP        | Ministry of Planning                                         |
| 5  | MOF        | Ministry of Finance                                          |
| 6  | MOIM       | Ministry of Industry and Minerals                            |
| 7  | MOJ        | Ministry of Justice                                          |
| 8  | MOT        | Ministry of Trade                                            |
| 9  | NHC        | National Housing Council                                     |
| 10 | CBI        | Central Bank of Iraq                                         |
| 11 | IHF        | Iraq Housing Fund                                            |
| 12 | REB        | Real Estate Bank                                             |
| 13 | NIC        | National Investment Commission                               |
| 14 | COSQC      | Central Organization for Standardization and Quality Control |
| 15 | GDRER      | General Directorate for Real Estate Registration Directorate |
| 16 | RERD       | Real Estate Registration Departments                         |
| 17 | NCCL       | National Centre for Construction Laboratories                |
| 18 | HSC        | Housing Cooperative Societies                                |
| 19 | EU         | European Union                                               |
| 20 | UN-Habitat | United Nations Human Settlements Programme                   |
| 21 | ILO        | International Labour Organization                            |
| 22 | ITC        | International Trade Centre                                   |
| 23 | NHP        | National Housing Policy                                      |
| 24 | NIL        | National Investment Law                                      |
| 25 | NDP        | National Development Plan (2024–2028)                        |
| 26 | PPP        | Public-Private Partnership(s)                                |
| 27 | MFIs       | Microfinance Institutions                                    |
| 28 | MSMES      | Micro Small and Medium-Sized Enterprises                     |
| 29 | BEIT       | Building Equitable and Inclusive Transformation              |
| 30 | SDGs       | Sustainable Development Goals                                |
| 31 | IDPs       | Internally Displaced Persons                                 |
| 32 | PCA        | Paris Climate Accord                                         |



# Foreword



In light of the rapid demographic, economic, and social transformations Iraq is witnessing, there is an urgent need for an integrated national housing policy that embodies the state's vision of achieving fair and comprehensive urban development and meets citizens' aspirations for adequate and secure housing.

We are pleased to present the National Housing Policy for Iraq 2025-2030, prepared in fruitful cooperation with the United Nations Human Settlements Programme (UN-Habitat).

This document represents the fruit of joint national and international efforts aimed at charting a clear roadmap to support the housing sector in line with the objectives of the National Development Plan and Iraq Vision 2030.

The Iraqi government, led by the Ministry of Construction, Housing, and Public Municipalities, has recognized that providing adequate housing is the cornerstone of achieving sustainable development, ensuring social stability, and enhancing the quality of life for Iraqi citizens. From this perspective, this policy represents a genuine response to the growing demographic, urban, and economic challenges facing our country, and reflects a sincere desire to establish the foundations for balanced urban planning and achieve justice in the distribution of housing opportunities and services. While we appreciate the technical and technological support provided by the United Nations Human Settlements Programme, we affirm our commitment to implementing the pillars of this policy, in cooperation with all partners in the government, the private sector, and civil society, contributing to building more inclusive, sustainable, and prosperous Iraqi cities.

Finally, this document represents a comprehensive national path that requires serious and continuous work from everyone, to ensure every Iraqi citizen's right to adequate, safe, and dignified housing.

**Bangen Rekani**

Minister of Construction, Housing and Public Municipalities

October 2025



Housing constitutes the foundation upon which local, regional, and global development plans and strategies are based, ensuring a better life for people in economic, social, and health (physical and psychological) terms.

In light of the accumulating housing challenges, there is a need to adopt a comprehensive approach focused on providing adequate housing for all citizens, ensuring human dignity and enhancing social stability.

The National Housing Policy develops programmes and projects that respond to the actual needs of the population by providing safe, affordable housing units equipped with basic services.



The policy also seeks to establish a spatial population balance by equitably distributing housing projects among governorates and regions, reducing excessive urban concentration, and encouraging balanced development in rural areas and urban peripheries. This approach represents a strategic step toward achieving social justice, promoting urban integration, and narrowing development gaps between regions. It also supports economic growth by stimulating the construction sector, creating job opportunities, and promoting investment in residential complexes and infrastructure.

We also emphasise that the National Housing Policy in Iraq (2025-2030) is not being implemented in isolation from the international community. Rather, it is based on close cooperation with international partners, such as the European Union, which funds the 'Building Equitable and Inclusive Transformation' (BEIT) project under which this policy falls, as well as the primary partner in this cooperation, the United Nations Human Settlements Programme in Iraq (UN-Habitat), which contributed to the formulation of the policy with technical support.

These partnerships reflect Iraq's commitment to international standards and open up horizons for financing, knowledge transfer, and the exchange of expertise, enhancing the state's ability to provide a healthy and safe housing environment for all citizens.

Finally, the National Housing Policy is not merely an urban plan, but rather an integrated vision for achieving a comprehensive quality of life: a planned and safe urban environment, decent housing equipped with basic services, opportunities for social and economic integration, and green spaces and public facilities that ensure the well-being of the population.

**Sadiq Mohamed Hasan Al-Fartoosi**

General Manager of Housing Directorate

Ministry of Construction, Housing & Public Municipalities

October 2025



Ensuring access to housing is a constitutional obligation and cornerstone of Iraq's development agenda, yet the country is facing an acute housing shortage. Recognising the need to confront the pressing challenges of housing delivery, the Government of Iraq has developed the National Housing Policy 2025-2030 (NHP 2025-2030) as a strategic framework to mobilise diverse actors, particularly the private sector, in significantly scaling up housing provision.

This policy prioritises inclusive, sustainable, and climate-responsive housing solutions that align with Iraq's National Development Plan 2024-2028 (NDP 2024-2028), the forthcoming Strategy for the Reduction of Poverty in Iraq 2026-2030, the Vision for Sustainability 2030 and the National Population Policy 2023.

The housing sector in Iraq reflects global trends, where rapid urbanization, affordability challenges, and the impacts of climate change are reshaping national and local housing needs. Effective enabling strategies are critical to achieving adequate and affordable housing for all. This policy embraces these principles, ensuring housing contributes to Iraq's broader goals of sustainable development and poverty reduction.

The government of Iraq's commitment to creating a new housing policy, despite the complex socio-economic challenges, reflects the government's resolve to ensure that every Iraqi has access to safe, affordable, and adequate housing. It is a testament to Iraq's determination to overcome obstacles and fulfil its obligations to its population, paving the way for a future where housing contributes to stability, resilience, and prosperity. The 2025-2030 housing policy reaffirms the central role of housing in Iraq's development vision and its efforts to build a more inclusive and prosperous society.

The implementation of this policy will be a challenge which demands coordinated efforts across institutions, robust legislative and regulatory reform, and sustained commitment from all stakeholders. UN-Habitat remains dedicated to supporting the Government of Iraq in translating this policy into action and looks forward to witnessing tangible progress toward adequate, affordable, and sustainable housing for all Iraqis.

A handwritten signature in blue ink, appearing to read 'Muslim Qazimi', with a stylized flourish at the end.

**Muslim Qazimi**

Head of UN-Habitat Iraq  
Regional Office for Arab States  
October 2025

# Preface

Iraq's National Housing Policy for 2025–2030 represents a strategic response to the accumulated challenges in the housing sector and to meet citizens' aspirations for a fair and safe urban environment. This policy represents a comprehensive national framework and aims to meet citizens' aspirations for restructuring the housing system in line with the Sustainable Development Goals, while promoting social and spatial equality among various segments and regions of society, encompassing all of Iraq.

The importance of this policy lies in its focus not only on addressing the housing shortage, but also on building an integrated urban model that takes into account fair distribution, efficient planning, and sustainable implementation. It places people at the heart of the development process, empowers vulnerable groups, and aims to stimulate economic growth by revitalising the construction sector, providing job opportunities, and strengthening public-private partnerships.

Its dimensions include the social dimension, which aims to improve quality of life; the economic dimension, which aims to support investment in infrastructure; the environmental dimension, which aims to encourage sustainable building patterns; and the institutional dimension, which seeks to enhance governance and the integration of roles among stakeholders.





# Acknowledgements

Following the completion of the National Housing Policy Update Document (2017-2022) and its implementation plan in March 2023, and with the aim of developing a new National Housing Policy for Iraq for 2025-2030, the Ministry of Construction, Housing and Public Municipalities, represented by the Housing Department, which is the department concerned with the housing sector, played a pivotal role in formulating the roadmap for this policy, based on a national vision that responds to housing challenges in a way that is realistic and applicable. The new policy was developed in cooperation with the United Nations Human Settlements Programme in Iraq (UN-Habitat), which contributed its international expertise to support the preparation of this policy and provide the necessary institutional and knowledge framework to ensure its compatibility with international standards and Sustainable Development Goals. The development of the National Housing Policy was funded by the Delegation of the European Union to Iraq under the Building Equitable and Inclusive Transformation (BEIT) initiative, a joint effort by UN-Habitat, the International Labour Organization, and the International Trade Centre. BEIT aims to drive economic growth by creating decent job opportunities through advancing Iraq's affordable and sustainable housing initiatives and strengthening the construction sector.

Building on this collaborative foundation, the policy represents the combined efforts of numerous individuals, government agencies, and civil society. It was developed in response to the numerous housing challenges facing Iraq and the difficulties in implementing the 2017 policy update in light of the various economic and security challenges that arose during the intervening time.

To ensure that work continued on track, the Ministry of Construction, Housing, and Public Municipalities, pursuant to Ministerial Order No. 2099 dated 15/1/2025, formed the Steering and Technical Committees for the National Housing Policy in Iraq (2025-2030). These committees included representatives from various relevant government agencies to guide the plan's preparation process. Technical working groups (focal points) were also formed pursuant to Ministry Letter No. 3877 dated 30/4/2025, which provided technical inputs on specific policy recommendations in 2024-2025.

The draft National Housing Policy for Iraq (2025-2030) was technically reviewed by a group of experts from the Ministry of Construction, Housing and Public Municipalities, governorates, and other ministries. The steering and technical committees also provided feedback, which will be finalised and presented to the General Secretariat of the Council of Ministers for final review and approval.

The following people mentioned below, were instrumental in formulating the NHP 2025-2030:

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**Thanks to International Trade Centre (ITC)**

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**Thanks to the members of the Steering Committee, headed by Mr. Bangen Rekani, Minister of Construction, Housing, and Public Municipalities.**

**Thanks to the members of the Technical Committee, headed by Engineer Sadiq Mohammed Hassan Al-Fartousi, Director General of the Housing Directorate, Ministry of Construction, Housing, and Public Municipalities.**





Participants in the workshop to discuss the National Housing Policy in Iraq (2025-2030)

## Executive Summary

The Iraq National Housing Policy (NHP) 2025-2030 outlines a comprehensive framework to address Iraq's evolving housing challenges and align with its broader development goals. The policy reaffirms Iraq's constitutional commitment to ensuring suitable housing for all (Article 30/First & Second of the Constitution)[1], focusing on creating sustainable, affordable, and inclusive housing solutions that address both present needs and future demands, which contributes to achieving social stability and providing equal opportunities for a decent living.

This Policy was developed through extensive consultations, including desk reviews, key informant interviews, workshops, and validation with a wide range of stakeholders across government, civil society, international organizations and specialists in the housing sector, ensuring diverse perspectives in the policy, ensuring it remains responsive to Iraq's housing landscape.

The policy is closely aligned with Iraq's developmental commitments, including the Vision for Sustainable Development 2030, the National Development Plan (NDP) (2024-2028), the Strategy for the Reduction of Poverty in Iraq 2026-2030 and the National Document for Population Policy 2023, ensuring housing efforts contribute to the nation's socio-economic goals. These alignments also ensure consistency with global frameworks, such as the New Urban Agenda, Paris Climate Accord, UN Sustainable Development Cooperation Framework (UNSDCF), and the Sustainable Development Goals (SDGs), particularly SDG Goal 11, which emphasises sustainable cities and communities.

[1] Article 30 of the Iraqi Constitution of 2005: First: The State guarantees social and health security for the individual and the family—especially children and women—and the basic requirements for a free and dignified life, providing them with an adequate income and suitable housing. Second: The State guarantees social and health security for Iraqis in the event of old age, illness, inability to work, homelessness, orphanhood, or unemployment. It works to protect them from ignorance, fear, and poverty, and provides them with housing and special curricula for their rehabilitation and care, as regulated by law.

Underpinning the Policy is a set of foundational approaches that affirm Iraq's commitment to inclusivity and sustainability. A central shift is the adoption of a policy of concentrated expansion that promotes more equitable spatial distribution. This approach is intended to preserve agricultural and green areas within and around cities, and will be achieved through:

- Balancing population density by establishing new cities or developing small and medium-sized cities within districts and sub-districts.
- Providing (primary and secondary) job opportunities for citizens in or near newly planned residential areas, reducing pressure on existing cities.
- Providing housing units or land served by infrastructure services.
- Implementing social services through various land uses in new cities.

Affordable housing initiatives prioritise support for vulnerable populations, while sustainable and cost-effective construction practices and materials are encouraged, which takes into account the reduced economical costs and environmental impact. These principles help uphold the right of all Iraqis to attain adequate and affordable housing, recognising housing as a tool for promoting sustainable development and reducing poverty. They also reflect Iraq's rich social and cultural diversity, by ensuring housing solutions meet the needs of all communities.

The policy will be supported by a clear implementation framework that defines roles, responsibilities, and a phased work plan. It will also include robust monitoring and evaluation mechanisms to ensure accountability and measure progress.

# Methodology and Consultation Process

The development of the NHP (2025-2030) was guided by an inclusive methodology designed to ensure that the policy is evidence-based, participatory, and responsive to the diverse needs of stakeholders. The process integrated desk reviews, key specialists' interviews, workshops, roundtables, and validation sessions, bringing together the expertise and perspectives of the Iraqi government, academia, and other stakeholders.

## Desk Review

An extensive desk review established a comprehensive understanding of the housing sector in Iraq, resulting in a housing baseline report. This involved analysing government indicators, national and international reports, previous housing policies, legal frameworks, and relevant national development plans. The review also included assessing case studies from comparable contexts, drawing lessons from regional and global best practices. This foundational step contributed to identifying existing gaps, emerging trends, and areas requiring urgent attention, forming the basis for subsequent consultations and analyses. A legal repository of laws and regulations related to housing was compiled, and an analysis of the legal frameworks was undertaken to identify gaps and areas for reform which aid in the policy's implementation.

## Key Informant Interviews

To complement the desk review, a series of key informant interviews were conducted with policymakers, housing experts, urban planners, and representatives from civil society, private sector and international development organizations in Iraq. These interviews provided insights into the challenges and possible opportunities within the housing sector, uncovering practical realities and stakeholder priorities that may not have been evident in the literature. This step grounds the policy in the experiences of those directly engaged in housing-related issues.

## Ministerial Guidance on Policy Development in Iraq

Iraq's Public Policy Development Guidelines provides a structured approach for Iraqi ministries and government entities to develop clear, viable, and effective policies addressing societal issues. Specifically, technical working groups were formed under the guidance of the MOCHPM, comprised of experts in public policy, planning, financial management, legal affairs, and coordination from a range of Ministries with mandates related to the housing and sustainable urban development sectors. Input was collected at the national, regional and governorate levels. These groups identified key housing issues, drawing on their specialised expertise in the housing sector. This structured approach ensured that policy problems were clearly defined and that the policy solutions proposed were realistic and implementable.



## National Housing Policy Roadmap

In 2024, a comprehensive Roadmap, developed by MOCHPM, was designed to guide the development of the National Housing Policy (2025-2030). The Roadmap, identified 6 critical pillars covering all the housing sector which form the basis of the current policy, along with a set of indicators which will inform the implementation strategy and monitoring and evaluation of the implementation in future. In addition, the Housing Studies and Policy Department crafted an assessment of the implementation, successes and challenges faced by the previous Housing Policy (2010) and its 2017 update.

## Workshops

Workshops and roundtables formed the core of the participatory consultation process, beginning with a workshop with key governmental stakeholders in July 2024, February 2025 and May 2025. Facilitated discussions focused on lessons learned from joint review of previous policy implementation, identifying priorities, alignment with national developmental plans, best practices, and fostering collaboration across sectors.



Photo Credit: Discussion on the draft NHP roadmap with participation from relevant ministries, MOCHPM, and UN-Habitat (July 23, 2024 at the Ministry Headquarters)



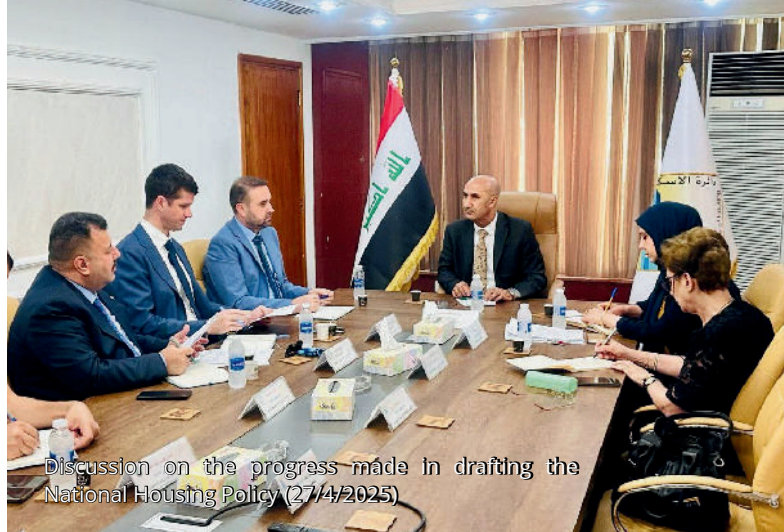
Photo Credit: Workshop to initiate drafting of the NHP with participation from relevant ministries, MOCHPM, UN-Habitat, and the EU (26-27 February, 2025)







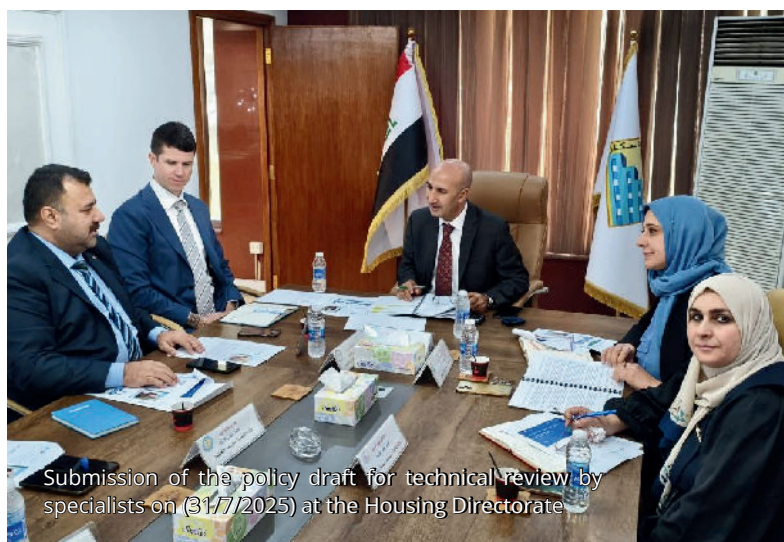
Discussions on sustainability within the National Housing Policy (20/2/2025) - UN-Habitat in Baghdad.



Discussion on the progress made in drafting the National Housing Policy (27/4/2025)



Workshop for focal points of the relevant entities (12/5/2025) - Housing Directorate



Submission of the policy draft for technical review by specialists on (31/7/2025) at the Housing Directorate

## Policy Validation

Toward the end of the consultation period, validation meetings were held to review the draft policy and ensure alignment with stakeholder expectations and objectives. These meetings provided an opportunity for stakeholders to offer feedback, clarify outstanding issues, and refine policy recommendations. The iterative nature of this process ensured that the final policy was both comprehensive and widely endorsed, increasing its likelihood of successful implementation.

## Timeframe and Commitment

The NHP 2025-2030 will be accompanied by a detailed implementation plan, outlining clear responsibilities, timelines, measurable performance indicators and monitoring & evaluation. The General Secretariat of the Council of Ministers / Department of Government Coordination and Citizens Affairs and MOCHPM/Housing Directorate will ensure ongoing monitoring, evaluation, and transparent reporting on policy implementation outcomes, facilitating continuous accountability while ensuring that the policy effectively addresses Iraq's housing challenges and achieves its strategic goals.

# Iraq's Commitment to Adequate Housing

The Government of Iraq is firmly committed to its Constitutional obligations to provide adequate and suitable housing. The government has consistently demonstrated this commitment by addressing the country's housing needs through concrete policy measures and strategic planning. Since the adoption of Iraq's first National Housing Policy in 2010, and its update in 2017, the country has made sustained efforts to uphold the constitutional right to adequate and suitable housing and align housing policy with broader national development goals. This commitment is grounded not only in the aspirations of the Iraqi Constitution but also in alignment with broader national development frameworks.

The 2010 National Housing Policy marked a significant milestone, establishing a foundation for addressing Iraq's growing housing deficit and promoting equitable access to housing amidst rapid urbanization and reconstruction. Recognising housing as a fundamental human right and a cornerstone of social and economic development, the policy outlined ambitious strategies to enhance housing supply, improve infrastructure, and strengthen governance in the housing sector. Despite the socio-economic and security challenges that have hindered full implementation, the policy underscored the government's resolve to prioritise housing within its development agenda.

Building on this foundation, the 2017 update to the National Housing Policy sought to address evolving challenges and capitalise on emerging opportunities. It emphasised public-private partnerships and urban development. This period saw significant efforts to integrate housing initiatives into broader poverty reduction and social protection strategies, aiming to ensure that vulnerable and low-income populations were not left behind. While these initiatives sought to address Iraq's critical housing needs, their implementation was undermined by multiple factors. A sharp drop in global oil prices severely reduced the government's fiscal capacity, delaying key housing initiatives. In addition, the impact of military operations in some governorates and regions as a result of security disturbances led to the destruction of housing and infrastructure and diverted resources toward emergency response and reconstruction, often at the expense of long-term policy goals. Compounding these issues was the limited participation of the private sector, which remained hesitant to engage in large-scale housing projects due to market volatility, despite its critical role in addressing the shortage of housing units. Taken together, these factors meant that Iraq continued to face a significant shortfall in adequate housing.

## Cross-cutting Challenges: Affordability, Sustainability and Climate Change

Many of the structural barriers identified in the 2017 policy persist. Iraq's housing sector now faces added pressure from deepening affordability constraints, challenges in implementing sustainability measures, and the growing impacts of climate change. Rising housing costs have placed adequate housing out of reach for many Iraqis, particularly low and middle-income households. The affordability gap is exacerbated by:

- Limited financing options.
- High construction costs.
- A mismatch between housing supply and demand.

The NHP 2025-2030 prioritises expanding affordable housing solutions by enhancing access to financing, stimulating affordable housing construction, and implementing targeted initiatives that address the needs of underserved and vulnerable populations including female-headed households, persons with disabilities, older persons and displaced populations.

Beyond housing access and cost, Iraq faces increasing environmental challenge, including:

- Rising temperatures.
- Water scarcity.
- More frequent extreme weather events.
- Low vegetation cover and green spaces within cities.

As the fifth most vulnerable country to climate change worldwide, Iraq also faces a growing rate of climate displacement. These threats demand urgent attention in the housing sector, as unsustainable construction practices and unplanned development further exacerbates vulnerabilities. This policy emphasises sustainable land use and building practices, and encourages the use of energy-efficient designs, locally sourced materials, and climate-resilient construction practices. Furthermore, it promotes the preservation, maintenance and energy retrofitting of existing housing stock, to enhance durability and reduce the environmental impact of housing.

## Moving Forward

As Iraq launches the NHP 2025-2030, the government reaffirms its commitment to adequate, affordable, and sustainable housing for all. The policy builds on past efforts while introducing innovative solutions to persistent challenges, with a focus on inclusive urban planning, climate-resilient housing, and stronger institutional delivery mechanisms.

Aligned with Iraq's Vision for Sustainable Development 2030, the policy recognises housing as a driver of social stability, job creation, and economic growth. The national housing policy position the housing sector as a key driver of employment, leveraging construction and related services to generate decent work opportunities across urban and rural areas. By embedding employment objectives into housing interventions, the strategy aims to stimulate local economies through labour-intensive approaches, with a focus on engaging youth, women, and vulnerable populations, and reducing multidimensional poverty by improving access to adequate housing. Integrating housing delivery with public works programmes and skills development initiatives will ensure that investments in housing also contribute to sustainable livelihoods, social stability and inclusion, and inclusive economic growth. The National Housing Policy also complements the National Development Plan's focus on infrastructure and employment, as well as the aims of the Strategy for the Reduction of Poverty to reduce housing-related vulnerabilities, placing housing at the centre of Iraq's development agenda.



The National Housing Policy is also fully aligned with global and regional agendas, reinforcing Iraq's commitments under the Sustainable Development Goals, the New Urban Agenda, and the Paris Climate Accord. It is embedded within the UN Sustainable Development Cooperation Framework (UNSDCF) for Iraq and advances the objectives of the Arab Strategy for Housing and Sustainable Development 2030, ensuring that Iraq's housing sector reforms contribute to international climate, sustainability, and inclusive development targets.

Integrating housing provision with public works programs[2] and skills development initiatives will ensure that housing investments also contribute to sustainable livelihoods, social stability and inclusion, and broad-based economic growth. This positions the housing sector as a priority in Iraq's National Development Plan (2024–2028).

The new policy focuses on strategic investments that stimulate the growth of local industries, strengthen supply chains, and reduce reliance on imports. It provides a clear and actionable framework that not only addresses urgent housing needs but also enhances economic resilience and long-term sustainable development by incorporating lessons learned from previous efforts and responding to the current social, economic, and environmental realities.

## Objectives of the National Housing Policy

The overall National Housing Policy 2025–2030 objective is to ensure adequate and affordable housing for all Iraqis, improving quality of life and promoting comprehensive, sustainable development.

Specific policy objectives include:

- **Achieving Social Justice:** Ensure adequate and affordable housing for all Iraqis through the fair and equitable distribution of housing opportunities across all segments of society.
- **Balanced Urban and Rural Development:** Promote sustainable urban growth and rural development that reduces regional disparities and strengthens national cohesion.
- **Infrastructure Improvement:** Expand and upgrade essential infrastructure including roads, water, sanitation, and electricity, integrated with new and existing housing developments.
- **Upgrading Informal Settlements and Slums:** Reduce informal settlements and improve living conditions in underdeveloped areas through upgrading, rehabilitation, and inclusive planning.

[2] Public Works Programs: One of the projects implemented under Building Equitable and Inclusive Transformation Project (BEIT), funded by the European Union International Development Cooperation via the Delegation of the European Union to Iraq through the International Labour Organization (ILO).



- **Promoting Environmental Sustainability:** Align housing projects with environmental standards, promoting energy efficiency and climate resilience to mitigate and adapt to climate change.
- **Investment Promotion:** Attract local and international investment into the housing and construction sector to stimulate the economy, strengthen local industries, and generate job opportunities.

## Core Principles of the National Housing Policy

The NHP 2025-2030 is grounded in a set of core principles that guide its vision, priorities, and implementation strategies to ensure housing contributes to inclusive, sustainable development across Iraq.

### 1. All Iraqis have the right to adequate and suitable housing

*The NHP 2025-2030 is grounded in the recognition of housing as a fundamental right, reaffirming the government's obligation to ensure that all Iraqis, without discrimination, have access to adequate and suitable housing as a fundamental human right.*

The NHP 2025-2030 is grounded in a set of core principles that guide its vision, priorities, and implementation strategies to ensure housing contributes to inclusive, sustainable development across Iraq.



Al-Suwayra Residential Complex – one of the social housing projects by the Housing Directorate – located in Al-Suwayra District, Wasit Governorate – 2025.

## 2. Housing is a foundation for well-being and poverty reduction

***The policy is guided by the principle that adequate housing is central to human dignity and stability, enabling families to build secure lives, pursue economic opportunities, and reduce vulnerabilities associated with poverty.***

By prioritising affordable housing, the policy commits to expanding access for low-income and vulnerable families, ensuring safe and adequate homes, reducing housing-related vulnerabilities, and enhancing quality of life. Adequate housing is foundational to poverty reduction, as it enables families to build stability, improve well-being, and pursue better economic and livelihood opportunities. Furthermore, housing projects stimulate local economies and create employment, directly benefiting household incomes and economic resilience.

## 3. Housing is a driver of job growth and economic prosperity

***The housing sector is recognised as a catalyst for the creation of decent work and inclusive economic growth, helping to reduce unemployment and support national development and poverty reduction objectives.***

The housing sector is valued for its ability to stimulate employment across multiple industries, activating a wide economic value chain and contributing to broad-based, inclusive growth. Scaling up housing construction presents a strategic opportunity to absorb underutilised labour, particularly among youth, while encouraging private sector activity alongside the public sector, by steering the Iraqi economy toward a market-oriented system (as emphasised in Article 25 of the Iraq Constitution).[3]

The housing sector will also serve as a platform to strengthen micro, small, and medium-sized enterprises (MSMEs), particularly in construction and infrastructure services, fostering entrepreneurship, enhancing local value chains, which leads to the creation of decent work. Targeted support for green construction practices, including retrofit and improvement of existing housing stock, will further promote the emergence of green jobs across the housing and infrastructure sectors. Through targeted inclusive financing mechanisms, employment-intensive interventions and public works programmes, stimulating the housing sector will also help reduce socio-economic disparities and contribute to economic diversification.

[3] Article 25 of the Constitution (2005): The state shall guarantee the reform of the Iraqi economy according to modern economic principles, ensuring the full utilization of its resources, diversifying their sources, and promoting and developing the private sector.

## 4. Housing construction will be guided by green and sustainable principles

***The NHP 2025-2030 is grounded in Iraq's commitment to environmental responsibility, ensuring housing contributes to resilience, energy efficiency, and sustainable resource use for future generations.***

Iraq, through its National Housing Policy, seeks to mitigate the risks of climate change within the framework of its National Development Plan and in line with its commitments under the Paris Agreement. The government acknowledges that climate impacts will pose growing challenges to both the population and the economy. In response, it promotes the adoption of green, sustainable building methods, materials, and practices across the housing sector. The policy commits to integrating environmentally friendly design features into new housing projects, while also supporting effective management practices for existing housing stock, including renovation and upgrading efforts aligned with global sustainability standards and climate adaptation strategies.

## 5. Evidence-based decision-making drives sound policy

***The NHP 2025-2030 values evidence-based decision making, grounding interventions in reliable data, research, and monitoring to ensure housing responds effectively to Iraq's evolving needs.***

In recent years, Iraq's housing landscape has continued to evolve, shaped by demographic shifts, economic pressures, and rapid population growth. Given these dynamic conditions, reliable and timely information is crucial to accurately identify housing challenges and to design appropriate policy solutions for Iraq's socio-economic context. Accordingly, the policy draws upon the latest available data collected from multiple government stakeholders and sources, including the 2023-2024 nationwide census, Household Socio Economic Survey (2025), and sector-specific reports and surveys, as well as lessons learned from previous policy implementation.

## 6. Inclusivity and participation are the foundation of good policy

***The policy recognises that meaningful housing solutions should reflect the needs of all Iraqi households and rights of all segments of society.***

The NHP 2025-2030 recognises that vulnerable groups, such as, women, persons with special needs, older persons, and displaced persons often face additional barriers in accessing adequate, safe, and affordable housing. These groups may have distinct housing needs that are not always fully reflected in conventional planning and service delivery approaches. To ensure housing responses are equitable and responsive, the policy promotes targeted interventions that address the specific circumstances of disadvantaged populations and actively supports inclusive processes.



## 7. Policy formation is responsive to social and cultural diversity

***The NHP 2025-2030 upholds respect for Iraq's social and cultural diversity and promotes housing solutions that are adaptable, inclusive, and respectful of local traditions, lifestyles, and community needs.***

The NHP 2025-2030 recognises that housing solutions are most effective when they reflect the varied needs of Iraq's people. By taking account of social and cultural diversity, the policy seeks to ensure that housing initiatives are appropriate to different contexts and contribute to stronger, more cohesive communities.

## 8. Good housing policy promotes balanced development

***The NHP 2025-2030 is guided by the principle of balanced spatial development by encouraging the planned expansion of housing beyond overcrowded urban centres, reducing pressure on city infrastructure, and fostering growth in small and medium-sized cities, and in districts and sub-districts.***

A balanced development approach will support in reducing congestion and over-development occurring in major cities such as the capital, Baghdad, and other provincial centres, while curbing urban sprawl. The NHP 2025-2030 addresses the critical issue of overcrowding in major urban centres by identifying areas for planned city extensions, as well as strategically constructing large-scale housing developments outside existing cities. The targeted approach reduces urban density and support more sustainable population distribution, easing the strain on essential services such as water, sanitation, electricity, education, and healthcare, enhancing the quality of life for urban residents.

The policy fosters balanced regional development to drive local economic growth. It support the creation of decent employment opportunities in construction, trade, and related sectors, driving economic growth and reducing socio-economic disparities. Carefully planned new residential areas will be integrated into national and regional economies and encourage sustainable urbanisation across Iraq.

# Overview of Iraq's Housing Challenges

Iraq faces a range of complex challenges that have accumulated over years of rapid population growth and instability, hindering progress toward ensuring adequate and affordable housing for its population. The economic toll of conflict, fluctuations in oil revenues, and continued urbanization have placed significant constraints on the capacity of both government and the private sector to deliver housing and essential services.

As a result of these challenges, Iraq faces a shortage of adequate housing, especially for low- and middle-income households, with an estimated 2.3 million new homes needed to meet demand.[4] The limited supply of formal housing has driven up prices and left many families unable to afford buying adequate homes. Most new residential developments are prohibitively expensive for average Iraqi citizens. High land costs and construction expenses mean that the majority of units in recently built complexes are beyond the financial reach of many Iraqis. Sharp rental increases compared to household income have also exacerbated housing challenges. This growing affordability gap has led many households to seek shelter in informal housing or to share homes with multiple families, contributing to overcrowding (beyond regulatory standards) and highlighting the urgent need to expand the affordable housing supply.

[4] Based on calculations from national census 2024.



Al-Aziziyah Residential Social Housing Complex (Housing Directorate) (2025), Al-Aziziyah District, Wasit Governorate



Rapid urban population growth and demographic pressures further strain Iraq's housing sector. Between 1988 and 2024, the urban population in Iraq surged from 12 million to 32 million, as cities absorb most of the population growth, which averaged around 2.5 per cent annually for the past two decades.[5] As of 2024, 70 per cent of Iraq's 46 million people reside in urban areas, resulting in a steadily increasing urban population. This trend is reinforced by Iraq's youthful demographic profile: over 60 per cent of the population is under the age of 25, and approximately 25 per cent are under the age of 15, meaning hundreds of thousands of new households will form over the next decade.[6] The spike in young people reaching working and marriage age will significantly increase demand for housing to support new household formation.

The concentration of the population in major urban centres has created a spatial imbalance, pushing many of these areas toward the limits of their capacity to provide services, infrastructure, roads, and employment opportunities. This has directly impacted the quality and availability of infrastructure services in formal urban areas, such as, potable water networks, sewage and stormwater systems, electricity, and internal roads, as well as, social services including education and healthcare.

At the same time, limited government allocations for providing services in newly planned urban areas (i.e., residential zones that are officially designed and parceled but remain undeveloped due to lack of service provision) have led to delays and, in some cases, reluctance among citizens to build in these zones. This has added further pressure on the production of housing units.

[5] World Bank Group, Data Bank, World Development Indicators, World Development Indicators/National Population Census of Iraq 2024. <https://databank.worldbank.org/reports.aspx?source=2&country=IRQ>; Iraq National Census 2024.

[6] UNICEF Iraq (2024) estimates that over 60 per cent of Iraq's population is under the age of 25, and approximately 25 per cent are under 15 years old, Climate Landscape Analysis for Children and Young People in Iraq, May 2024.



Service and Engineering Effort Team laying sewage pipelines in Ubada, Maysan Governorate (2023), as part of upgrading underserved residential areas. Source: INA.



Big cities in Iraq are grappling with unchecked urban expansion and the proliferation of informal settlements[7], whether within cities or on their outskirts, with this growth coming at the expense of agricultural land, green areas, and vacant plots. Although several solutions have been introduced to address informal settlements, whether through legal frameworks and land titling, or through urban upgrading of underserved areas (led by the Service and Engineering Effort Team under the MOCHPM) further concerted efforts are still required to reduce their spread, as many low-income families still have no option other than renting housing informally on these lands.

The Informal Settlements Survey in Iraq, prepared by the Ministry of Planning in 2023, confirmed that there are more than three million Iraqis living in about 4,000 informal settlements nationwide, including over 1,000 such settlements in Baghdad alone.[8] These areas typically suffer from overcrowding, precarious and unsuitable living conditions.

Finally, an escalating challenge is the impact of climate change on housing adequacy and resilience. Iraq is widely considered one of the most climate-vulnerable countries in the Middle East, facing rising average temperatures, more frequent and prolonged droughts, and an increase in extreme weather events. These environmental stresses directly affect the housing sector and require more climate-responsive approaches. Many Iraqi homes are ill-equipped to withstand extreme heat or sudden floods and already contribute significantly to the country's overall energy consumption. Prolonged heatwaves and water scarcity are already undermining living conditions in parts of the country, highlighting the need for better insulation, cooling systems, and climate smart design in housing. At the same time, climate change is impacting rural livelihoods; as farmlands dry up or suffer from desertification, more families are being forced to move to urban areas, which in turn adds to urban housing pressures.

To address these interconnected challenges, the policy examines them through the lens of the six core pillars of the policy, which serve as strategic pathways for implementing the National Housing Policy. Each pillar represents a critical dimension within the housing ecosystem—ranging from land accessibility, housing production, and housing finance to infrastructure provision, housing maintenance, and the quality of building materials. Together, they offer a structured framework for understanding the specific constraints and opportunities shaping Iraq's housing landscape. This approach enables an analysis of sectoral gaps and helps identify targeted policy interventions tailored to Iraq's current and future needs.

[7] For the purposes of this policy, informal settlement refers to unplanned residential development that takes place outside formal planning and regulatory frameworks. This may include encroachments on public or private land, subdivisions without planning approval, or other forms of occupation lacking legal title or compliance with zoning and building standards.

[8] Ministry of Planning data (2021) reported by Shafaq News – an estimated 3 million people live in about 4,000 informal (slum) settlements countrywide, including over 1,000 in Baghdad.

## Strategies for Implementing the National Housing Policy (Pillars of the National Housing Policy)



### 1. Land Management

The state owns about 80–90 per cent of the land, yet numerous challenges hinder the systematic conversion of land for residential use or its release to developers to effectively meet demand. As a result, vast areas of land remain unavailable for housing construction, leading to rising land prices and difficulties in supporting housing unit production, despite the country's extensive land resources. Lands intended for residential allocation face a complex set of challenges, encompassing legal, institutional, economic, and demographic dimensions, as summarised in Table 1.



**Table 1: Land Management Issues in Iraq**

| No. | Aspects                                     | Challenge                                                                                                                                                                                                                                                                                                                                                                    |
|-----|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.  | Complexities of Legal Ownership             | <ul style="list-style-type: none"><li>• Multiple land-owning entities (Finance, Municipalities, Endowments, Agriculture, etc.)</li><li>• Absence of a unified system for land registration and parcelling.[9]</li><li>• Weak mechanisms for resolving property disputes between ministries and local authorities.</li></ul>                                                  |
| 2.  | Weak Urban Planning                         | <ul style="list-style-type: none"><li>• Slow pace in updating master plans of cities in line with urban expansion.[10]</li><li>• Proliferation of informal housing, whether on areas not designated for residential use or through subdivision of plots in existing areas, thereby burdening existing infrastructure.</li></ul>                                              |
| 3.  | Lack of Financing and Investment Mechanisms | <ul style="list-style-type: none"><li>• Limited government budgets allocated to prepare infrastructure for residential lands.</li><li>• Weak investment incentives for the private sector, despite the launch of investment opportunities to build new cities.</li><li>• Absence of innovative financing models such as Public-Private Partnerships (PPP).</li></ul>         |
| 4.  | Population Growth. [11]                     | <ul style="list-style-type: none"><li>• Unregulated urban expansion which has increased demand for land without providing planned alternatives.</li></ul>                                                                                                                                                                                                                    |
| 5.  | Environmental and Technical Constraints     | <ul style="list-style-type: none"><li>• Some lands are unsuitable for construction due to pollution or proximity to industrial or military zones.</li><li>• Limited reliance on integrated Geographic Information Systems (GIS) to support decision-making in land allocation, resulting in delays in land reclassification or redistribution for residential use.</li></ul> |

[9] Work is currently underway by the General Directorate of Municipalities to draft a bill – the Unified Iraqi Construction and Building Law.

[10] Iraq has the Strategic Framework for Urban Development in the Governorates of Iraq, issued by the Ministry of Planning in September 2018; however, it requires updating.

[11]The annual population growth rate in Iraq reached 2.33 per cent, according to the results of the National Population and Housing Census (November 2024).



Iraq also relies on a mix of legacy and recent legal frameworks. These overlapping laws have undermined planning control and created confusion over zoning responsibilities. As a result, powers often overlap between authorities at the national, regional, and local levels, and therefore there is a need to establish a unified legislative framework that clearly defines responsibilities. For example, multiple ministries often allocate or sell state land independently, without coordination through the Ministry of Finance (MOF), reflecting unclear mandates. In the absence of good governance, the Iraq National Development Plan (2024–2028) focuses on modernising urban planning and improving land management to support housing needs. It also emphasises the necessity of prioritising land management reform to enable sustainable housing expansion in Iraq, thereby encouraging greater private sector participation. Governance reforms are underway; however, while decentralisation efforts since 2005 have aimed to empower governorates, fiscal and institutional decentralisation have lagged behind political devolution. In practice, municipalities lack sufficient revenue streams to provide infrastructure on buildable land, making planned development difficult to implement.

Given the scarcity of land suitable for residential development, the land management policy proposes revisiting minimum parcel sizes for newly designated residential areas (excluding existing urban zones). Reducing plot dimensions would expand the supply of residential land and improve access to housing opportunities. At the same time, urban expansion must be carefully managed to avoid encroachment on agricultural zones. The release of farmland without strict controls poses a serious threat to Iraq's environmental balance. The loss or degradation of agricultural land through unregulated housing conversion undermines ecological stability, particularly in the context of the severe impacts of climate change on Iraq's environment.

To address these risks, the policy prioritises compact and decentralised urban expansion as a key solution. This approach preserves agricultural land while promoting the growth of small and medium-sized cities and, where appropriate, the establishment of new urban centres. It fosters a balanced model of development that integrates housing provision, economic growth, and environmental sustainability. Additionally, the policy emphasises the completion of legal and regulatory procedures for land converted from agricultural to residential use, ensuring such land is suitable for safe and sustainable construction.

The importance of this pillar lies in reducing the housing gap, lowering population density in city centres, creating job opportunities, and fostering spatial development and sustainability.

## 2. Production of Housing Units

The preliminary results of the November 2024 census did not identify a housing deficit, as they counted all types of dwellings, including inadequate structures such as tents, mud houses, and other temporary shelters. For housing policy purposes, however, it is essential to adopt a comprehensive perspective that upholds the right to adequate housing as guaranteed by the Iraqi Constitution. When these census findings are considered alongside the 29.1 per cent overcrowding rate identified in the 2023–2024 Socio-Economic Household Survey, a clearer picture emerges: Iraq faces a housing deficit of approximately 2.3 million units.

To address the housing deficit, the government has launched a number of initiatives aimed at expanding the housing supply through public investments and private sector participation. Since 2024, the Ministry of Construction, Housing, Municipalities and Public Works (MOCHPM) has approved the implementation of 21 new city projects comprising a total of approximately 765,000 housing units (using both horizontal and vertical construction patterns), with an additional 8 projects pending approval that will provide nearly 329,000 housing units.

At the national level, 70 low-cost housing projects with a total of 18,704 housing units have been completed, or their implementation has begun. In addition, 41 private investment projects have been launched from 2011 to the present, aiming to provide approximately 439,430 housing units (using both horizontal and vertical construction patterns). These projects emphasise the importance of linking housing projects to job opportunities, for example by situating them near industrial areas or educational facilities such as universities.

As for public sector contributions to low-cost housing (social housing), they include 66 government-funded projects within the investment plan of the MOCHPM, supervised by the Housing Directorate, with a total of approximately 34,456 housing units either completed or under construction. Stopped projects among these have been offered as investment opportunities. These units are distributed to eligible groups (10 categories) as identified by the National Housing Council, including widows, internally displaced persons (IDPs), and persons with disabilities.





Financial instruments have played a pivotal role in supporting the housing sector. Since 2005 until 2024, the Iraqi Housing Fund has provided approximately 231,676 loans for the construction of individual housing units, with a total value exceeding IQD 8.7 trillion (approximately USD 6.6 billion). Furthermore, the Real Estate Bank provided nearly 46,099 loans between 2019 and 2024, with a value of about IQD 4.6 trillion (approximately USD 3.5 billion). In addition, authorised banks have contributed IQD 7 billion (approximately USD 5.3 million) in financing to support the housing sector.

These efforts come within the framework of national policies, most notably the National Development Plan (2024–2028), which emphasises the need to complete hundreds of ongoing housing projects to accelerate access to adequate, suitable, and affordable housing across all provinces. [12]

Increasing housing production in Iraq will depend on sustaining construction momentum over the coming years. The promising results of National Investment Commission (NIC) projects and governorate-level investment commissions highlight the importance of continuing to support Public–Private Partnerships (PPPs) as a vehicle for large-scale housing delivery. At the same time, greater emphasis is needed on facilitating the contribution of micro, small, and medium-sized contractors (MSMEs), who already account for a large share of housing production in Iraq. This requires reducing bureaucratic inefficiencies and expanding access to credit. Private investment should also be channelled strategically into the sector, subject to oversight, monitoring, and technical auditing by the relevant state institutions.

Furthermore, the national housing policy encourages housing projects that support lower and middle-income earners, the youth demographic, and people with special needs, offering units at affordable prices. A notable example is the Basmayah Housing City project, which currently has a total capacity of 100,000 housing units of which 20,000 units are currently occupied, and an additional 10,000 units are expected to be occupied soon.

[12] Data from the Housing Stock and Housing Market Division / the Housing Studies and Policies Department /Housing Directorate /Ministry of Construction, Housing, Municipalities and Public Works (MCHPM) – in (April 2025).



Al-Ghalibiya Residential Complex / One of the Social Housing Projects of the Housing Directorate / Diyala Governorate / 2025



These combined efforts align with national strategy frameworks, most notably the National Development Plan (2024–2028), which emphasises the necessity of completing hundreds of ongoing housing projects to accelerate access to decent and affordable housing across all governorates. It is anticipated that the public sector will contribute 10 per cent to the overall supply of housing units, focusing on lower-income households. The remaining share—up to 90 per cent of housing production—is expected to come from the private sector, including self-build projects, private developers, Micro, Small, and Medium Enterprises (MSMEs), and other investors.

The strategic expansion of housing production should also be aligned with broader social and economic development goals. Investments in the construction sector, particularly in residential housing, infrastructure, and related key areas, can serve as powerful drivers for generating decent employment opportunities and leveraging Iraq's demographic dividend, especially among its youthful population. At the same time, it is essential to prevent the involvement of vulnerable groups, such as children, in construction-related activities that fall below the legal working age, including brick manufacturing. Additionally, housing initiatives must address the notably low participation of women in the labour market. Hence, housing initiatives should be designed to address these structural challenges. Integrating worker protection, promoting formal employment (i.e., officially registered workers), and supporting climate-resilient construction practices can ensure that development efforts effectively meet housing needs while advancing broader economic and environmental goals.

The importance of this pillar lies in reducing the housing deficit gap, lowering population density in city centres, creating job opportunities, achieving security stability, and improving the living and psychological conditions of citizens.



### 3. Housing Finance

Housing finance in Iraq remains underdeveloped, leaving most Iraqis without sufficient access to mortgage options. The market is dominated by public lenders such as the Iraq Housing Fund (IHF) and the Real Estate Bank (REB), with only minimal participation from private banks. While some lending is available through IHF, REB, and, to a limited extent, public banks such as Al-Rafidain and Al-Rasheed, as well as a few private banks, the loan pool remains far too small to meet demand. In practice, the mortgage products offered by IHF and REB are insufficient to satisfy citizens' needs for affordable, long-term housing finance.

Moreover, mortgage lending accounts for only a small fraction of the overall lending portfolios of Iraqi banks, reflecting the limited scope of financial inclusion in the sector. As a result, the formal mortgage system serves only a narrow segment of the population. This weakness is attributed to several structural barriers.

Firstly, while 72 per cent<sup>[13]</sup> of Iraqi households own their homes, access to credit is limited by Iraq's low financial inclusion with less than 20 per cent of adults owning formal bank accounts.<sup>[14]</sup> Most of the population is unbanked and excluded from traditional credit channels, particularly low-income, private sector and informally employed individuals. Private banks are reluctant to offer long-term loans due to perceived risk, lack of long-term funding instruments, and a preference for short-term, high-yield commercial activities. The lack of clear property title systems and enforcement mechanisms also make it difficult for banks to issue loans, deterring private lending. Many banks also lack the necessary technical expertise and long-term financing mechanisms to effectively support housing finance.

Secondly, the legal and regulatory framework for housing finance remains underdeveloped. Processes for collateral registration and mortgage foreclosure are cumbersome and unclear, undermining lenders' confidence, particularly given significant default rates on NHF and REB loans. Public-sector employee loans, which should be automatically deducted from salaries, are often not managed efficiently, leading to defaults and administrative burdens.

Thirdly, public lenders like the IHF and REB offer loans with favourable terms, supported by government budgets or Central Bank initiatives. While these programmes have enabled tens of thousands of families to access home loans, they remain substantially underfunded relative to national housing demand. Loan caps and strict eligibility criteria further restrict their reach, especially among informal workers and households lacking formal income verification or sufficient collateral.

Dependence on state-backed programmes has limited competition and discouraged private sector initiatives. For example, the IHF was established in 2004 to fill the gap created by commercial banks' limited engagement in lending to citizens. While some commercial banks have made some progress in improving access to loans, they cannot fully meet nationwide housing needs. Despite generally high liquidity levels, banks continue to prefer lower-risk, short-term opportunities rather than long-term housing financing.

[13] Iraqi National Census, 2024

[14] World Bank Global Findex Database, 2021



These limited real estate financing options force most households to rely on personal savings or informal borrowing, making housing unaffordable for many. Low-income groups are particularly disadvantaged, lacking access to credit for housing purchases or improvements.

Additionally, MSMEs in the construction sector face limited access to formal credit. Fewer than 5 per cent of MSMEs report using bank loans, and construction-specific finance is scarce.[15] Banks require high collateral and stringent guarantees, which small contractors often cannot provide. Without appropriate financing tools, most MSMEs rely on prepayment from buyers or informal lending arrangements, constraining their capacity to scale operations and increasing project risks. Expanding tailored financial instruments and credit guarantees for MSMEs could support enabling broader participation and scaling up of housing delivery.

To address these challenges, Iraq's national housing policy (2025 – 2030) seeks to foster an enabling environment for private housing finance through legal reforms and incentives. Iraq's ongoing WTO accession process can also play a significant role on this front by enhancing financial openness leading to improved access to affordable housing loans. Proposed measures also include strengthening foreclosure and collateral enforcement mechanisms, improving land registration and titling systems, and introducing risk-sharing tools such as credit guarantees or affordable long-term funding options. To enhance access to housing loans for all citizens, it has also been proposed to establish branches of the Housing Fund in the Kurdistan Region governorates.

The importance of this pillar lies in strengthening Iraq's housing finance system to expand access to affordable credit for households and developers. It prioritises revitalising both public and private banking institutions engaged in housing finance, developing innovative financial instruments, and mobilising private capital investment into the sector. By broadening the availability of mortgages, loan guarantees, and long-term funding options, this pillar seeks to support economic growth, diversify revenue sources beyond oil, and make housing finance more inclusive. In doing so, it contributes to social stability by enabling a wider range of citizens to access formal financing for housing construction, purchase, or improvement.

[15] International Trade Centre, Iraq's Housing Construction Sector: An MSME perspective, March 2025.





## 4. Infrastructure

Inadequate infrastructure is another factor undermining housing quality and production in Iraq. Basic services including water, sanitation, electricity, and roads often lag behind housing developments, creating infrastructure service gaps that diminish living standards. Currently, approximately 65 per cent of households have access to potable piped water, around 50 per cent are connected to public sewer networks, and roughly 58 per cent have reliable municipal or contracted waste disposal services, reflecting the service challenges many Iraqi households experience.[16] Frequent power outages require residents to depend on costly and polluting private generators, while inconsistent water supply necessitates installing storage tanks or purchasing water privately. Such gaps add cost and complexity to housing, especially impacting the livelihoods of low-income and vulnerable households. The pace of infrastructure development has been slow, hindered by prolonged security challenges and fluctuations in oil prices that have directly constrained federal budgets and complicated development planning. These difficulties are compounded by the high cost of establishing sanitation services.

**Table 2: Coverage of Basic Infrastructure Services in Iraq**

| No. | Service type                                      | Served Population | Unserved Population |
|-----|---------------------------------------------------|-------------------|---------------------|
| 1.  | Drinking Water Services (via pipelines)           | 65 per cent       | 35 per cent         |
| 2.  | Sanitation Services (connected to public network) | 50 per cent       | 50 per cent         |
| 3.  | Municipal Services (waste disposal)               | 58 per cent       | 42 per cent         |

Source: Iraq National Housing Census, 2024

Rapid urban population growth has also exacerbated infrastructure challenges, resulting in overloaded sewer systems, congested roads, and increased environmental pollution. Furthermore, new housing projects are often delayed by the lack of critical infrastructure. Municipalities are tasked with implementing urban plans and extending services, but they frequently lack the budget to do so. This has left many residential areas with backlogs in infrastructure provision and declining service levels due to inadequate maintenance. In established neighbourhoods, aging pipes and electrical grids require frequent repairs, further reducing service reliability. In some cases, residential areas remain entirely unserved. [17]

[16] Iraq National Census, 2024.

[17] Republic of Iraq, Ministry of Planning, Iraq National Development Plan, 2024-2028, Housing Activity, Main Challenges: 4, 221.



Rifai District Treatment Plant Project - Dhi Qar /  
General Directorate of Sewerage



Nahrawan Central Water Project -  
East of Baghdad / Water Directorate



Aden and Sana'a Interchange Bridge / Baghdad / Roads and Bridges Department, a project of the MOCHPM

Fragmented governance also contributes to delays with a large variety of Ministries and government institutions sharing responsibility for different elements of housing, construction and service delivery. Coordination is needed among Ministries of Electricity, Water, Construction, Housing, and Public Municipalities, Transportation, Planning and the municipalities when developing new areas, yet siloed decision-making is common. Consequently, many housing projects stall while waiting for connections to power lines or sewage networks.



Inadequate infrastructure remains a key constraint on housing development. Limited access to basic services reduces the habitability of housing and discourages private sector investment, particularly in areas where service provision is uncertain. Infrastructure has been identified in national plans as both a priority and a bottleneck. The NDP acknowledges disparities in service delivery across regions and affirms the government's commitment to improving basic infrastructure in support of housing goals. In line with this, relevant ministries have initiated efforts to upgrade utility systems, expand water and sanitation networks, and improve energy access. Advancing Iraq's national housing objectives will require continued investment and coordination to align infrastructure delivery with residential development.

The infrastructure pillar plays a critical role in the success of the National Housing Policy, as housing cannot be sustainable or liveable without reliable access to basic services. To ensure the effective delivery of infrastructure to new housing projects, it is essential that they are connected in advance to water, electricity, and sanitation networks. Priority should also be given to energy sustainability by integrating renewable sources, such as solar power, into new developments.

Equally important is the provision of infrastructure services to residential plots distributed by the government. These plots should not remain parcelled without access to utilities, as it undermines both the functionality of new communities and public trust in housing programmes.

By strengthening the infrastructure pillar, the policy not only guarantees the quality and habitability of housing but also supports environmental sustainability, economic growth, and social well-being.





## 5. Housing Management and Maintenance

Many existing housing units suffer from increasing structural deterioration. This is due in part to the absence of a comprehensive system for housing maintenance and management. The repeal of Law No. (149) of 1980, which had obligated housing cooperatives (associations) to manage shared upkeep responsibilities, left a regulatory void that has yet to be addressed, further complicating the situation. No replacement framework has been established, leaving property owners and local authorities without clear guidance or institutional support.

In public housing, years of conflict and economic crisis have also contributed to long-term neglect due to the lack of dedicated maintenance budgets. In privately owned homes, maintenance is self-financed, and many lower-income households defer necessary repairs due to limited financial resources.

Over-utilisation of existing stock is an additional challenge. Large households frequently subdivide single-family homes to accommodate extended families, contributing to overcrowding and accelerating physical deterioration. As of 2024, 29.1 per cent of Iraq's population lives in overcrowded homes.[18] There are also vacant or under-used properties lacking incentives or programmes to bring them back to market, resulting in some habitable units remaining empty even amid shortages. Policy gaps exacerbate maintenance challenges. Iraq lacks a national housing database to track housing condition or vacancy rates, and limited programmes support renovation or repair.

In addition to structural wear, Iraq's housing stock is poorly equipped to cope with the impacts of climate change. Most homes lack insulation, shading, ventilation, and efficient water systems, resulting in uncomfortable indoor conditions, high resource use, and accelerated physical deterioration. Many households rely on costly, polluting diesel generators to meet basic energy needs. Targeted retrofits, such as thermal insulation, improved ventilation, water-saving fixtures, and basic weatherproofing offer a cost-effective way to reduce energy and water use, improve comfort, and lower household expenses. These upgrades also help ease pressure on public infrastructure and support broader environmental and public health goals. Importantly, investing in housing retrofits advances Iraq's commitments under its Nationally Determined Contributions (NDCs) to the Paris Agreement by reducing emissions from the built environment and strengthening climate resilience in vulnerable communities.

[18] Defined as over 3 people per room, Iraqi Socio-Economic Survey (IHSES 3).

Recent national housing initiatives have understandably prioritised new construction to tackle supply shortages, but complementary efforts to preserve and rehabilitate the existing housing stock have received less attention. Yet, rehabilitation and maintenance of older homes can often be more cost-effective, environmentally sustainable, and socially inclusive. Upgrading existing homes also plays a vital role in revitalising urban neighbourhoods, supporting community stability, and reducing sprawl.

New regulatory and institutional frameworks are needed to enable a systemic approach to housing maintenance. This includes introducing legislation, rules and a handbook on building upkeep, training property management professionals, and enabling homeowner or housing management associations. Clarifying maintenance responsibilities, offering financial and technical support for repairs, and mainstreaming retrofit programmes will help extend the life of existing housing assets. Without such measures, Iraq risks continued deterioration of its existing housing stock, further compounding the housing deficit even as it invests in new construction. This challenge can be addressed by encouraging public and private banks to provide a proportion of loans for improvement purposes.

The importance of this pillar lies in preserving the housing stock, implementing technically approved maintenance standards, and improving methods for managing and maintaining residential complexes.



## 6. Housing and Building Materials

Shortages of building materials and the high cost of construction continue to pose significant challenges to housing delivery in Iraq. Despite the country's rich raw material base, including abundant limestone, gypsum, and clay, the domestic building materials industry remains underdeveloped. Years of security incidents, sanctions, and underinvestment have left many state-owned factories, such as those for cement and bricks, damaged or outdated. As a result, Iraq is heavily reliant on imports for key materials such as cement, steel, and fittings. Domestic cement plants have historically operated at low utilisation rates, creating supply gaps that must be filled by imports, driving up costs. Cement and rebar prices in Iraq are often above global averages, contributing directly to elevated housing construction expenses.

Structural inefficiencies in the construction materials supply chain also contribute to the problem. Distribution systems remain fragmented, and outdated transport infrastructure causes delivery delays and cost increases. Moreover, construction practices are generally low-productivity and labour-intensive, relying on traditional building techniques. State-owned construction enterprises, which still implement many housing projects, have been criticised for poor performance and slow adoption of modern methods. These inefficiencies contribute to excessive material waste and time overruns, making construction disproportionately expensive relative to household incomes.

The quality of materials is another concern. Many locally produced materials have historically failed to meet international standards, prompting builders to opt for imports believed to be higher quality. Yet the market has also seen a proliferation of cheap, substandard imports. Weak enforcement of standards and limited inspection capacity have allowed low-quality materials, both local and imported, to dominate the market. This undermines the safety and durability of Iraq's housing stock.

The housing sector is one of Iraq's largest consumers of energy and water and a major contributor to pollution.[19] Residential buildings account for the majority of electricity use (around 60.7 per cent in 2020), with inefficient designs leading to high cooling and heating demands. In Baghdad, an estimated 69 per cent of household energy consumption goes to air conditioning and heating, reflecting poor insulation and reliance on fossil-fuel power. Over 98 per cent of Iraq's energy needs are still met by fossil fuels, underscoring the minimal uptake of renewables in housing.[20] The use of energy-saving materials (such as thermal insulation or efficient wall blocks) and technologies (solar panels, solar water heaters, passive cooling) in urban housing is limited. Most new urban homes continue to use traditional concrete and brick with little insulation, contributing to excessive indoor cooling loads. Adoption of on-site renewable energy also remains scarce nationwide.

[19] Yousef Khalil, Mohammed Saeed Al-Din Musnan, and Mohammed Zuhair Al-Din Ismail / Towards Building Sustainable Housing in Iraq / International Journal of Research and Innovation in Social Science.

[20] Salam Faraj, Tech Explore, Iraq inches toward solar-powered future, 2 November 2023.



Recognising the need to accelerate renewable adoption in housing, the government launched a national initiative in 2024 to install solar energy systems in homes. The initiative aims to reduce pressure on the electrical grid and expand the use of renewables in residential settings.

At the same time, improving housing material availability and affordability requires revitalising domestic production. The government has prioritised attracting private investment and public-private partnerships to upgrade existing cement plants and establish new facilities for bricks and prefabricated components. Iraq's expected accession to the WTO may also help reduce import costs and enhance access to higher-quality materials from international markets, especially in areas where local production remains uncompetitive.

The NDP calls for the adoption of modern construction techniques to reduce costs and accelerate housing delivery. This includes scaling up prefabricated units, improving project management, and reducing material waste. Green and sustainable materials and techniques in construction are also prioritised across the development frameworks including the Vision for Sustainability 2030, the Strategy for the Reduction of Poverty in Iraq 2026-2030 and the Baghdad Development Plan 2030, reflecting increased attention to sustainability of Iraq's built environment. There is also a need to adopt green building standards and grant tax exemptions for sustainable construction projects. This requires inspecting authorities to develop a plan to keep pace with testing modern building materials, including testing equipment, training staff, and issuing testing certificates.

The importance of this pillar lies in activating government prefabricated building factories, accelerating the production of housing units, supporting the local economy, and providing job opportunities. It also contributes to the promotion of local building materials, introducing modern construction technologies through new production lines, and ensuring building material quality.



# National Housing Policy Implementation Strategies

To systematically respond to Iraq's housing challenges, the National Housing Policy has been structured around six core pillars. Each pillar begins with a brief overview of the issue, followed by sub-pillars that highlight policy priorities. Concrete recommendations are then presented to address institutional gaps, mobilize resources, and facilitate access to adequate housing. This approach ensures that the recommendations are both comprehensive and practical, providing a clear roadmap for the government, the private sector, and development partners to advance housing sector reform in Iraq.

## 1. Land Management

The goals of the land management pillar interventions are to address the challenges posed by the cumulative lack of developable land by improving the processes behind allocating land for new, serviced, housing development. This will support government entities in systematically managing land resources and expand access to adequate and affordable housing opportunities. In addition to achieving these goals, improvements in land management should simultaneously assist in reducing the housing deficit, addressing informal settlements (including both encroachments on restricted land and unplanned "random" developments), and fostering more sustainable urban and rural development.

To better understand the sub-policies of land management, it is useful to first review the different categories of land in Iraq outlined in Table 3.





**Table 3: Types of Land in Iraq**

| No | Type                             | Clarification                                                                                                                                          | Type of land                                                                                        | Right of disposal/ use                                                                           | Legal Basis                                                                                      |
|----|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| 1  | Full ownership                   | Ownership may be held by an individual, a group of individuals, or an institution.                                                                     | 1. A vacant, salinized, uncultivated plot of land.<br><br>2. Agricultural land.<br><br>3. Orchards. | -----                                                                                            | Disposal rights/ partnership between the state and the citizen (a specific percentage for each). |
| 2  | Correct endowment                | Land owned by a person who grants it to the Ministry of Endowments on a permanent or temporary basis.                                                  |                                                                                                     | ----                                                                                             |                                                                                                  |
| 3  | State land                       | Land owned by the State outside municipal boundaries (within municipal boundaries, it is owned by the relevant municipality).                          |                                                                                                     | ----                                                                                             |                                                                                                  |
| 4  | Incorrect endowment              | Lands given to the Ministry of Endowments, but there is a lack of documentation proving ownership before they are given to the Ministry of Endowments. |                                                                                                     | ----                                                                                             |                                                                                                  |
| 5  | Right to hold                    | Land granted to individuals who were previously utilising agricultural land but it is not owned by them.                                               |                                                                                                     | Disposal rights/ partnership between the state and the citizen (a specific percentage for each). |                                                                                                  |
| 6  | Commissioned by tabo Real Estate | Land owned by the Land Registry but delegated to a specific person to dispose of it (except for transfer of ownership).                                |                                                                                                     |                                                                                                  |                                                                                                  |

NOTE: Abandoned lands: include lands that are abandoned as facilities or as property, and that have not been exploited or finally registered.



## Policy 1.1: Support allocation of land for strategic housing investment projects.

### Sub-Pillar: New Cities & Investment Opportunity Lands

**Issue:** Access to land remains one of the most significant constraints facing investment in Iraq's housing sector, particularly for foreign developers. While the Investment Law permits foreign ownership of land for licensed housing projects, the process of acquiring land remains administratively bureaucratic, with overlapping mandates between national and subnational authorities. In practice, investors often face lengthy procedures to obtain investment licenses, secure state-owned land, and complete registration processes. Delays in transferring deeds, fragmented responsibilities between the NIC, MOF, Real Estate Registration Departments (RERDs), local authorities, and unclear pricing or allocation processes contribute to investor uncertainty and slow the implementation of large-scale housing projects. These institutional challenges are further compounded by outdated property registration systems and inconsistent application of land-related laws granted to investors and developers.

**Recommendations:** This intervention aims to support the mobilisation of private capital needed to meet housing demand, as follows:

- **Publish Standardised Procedures for Land Allocation Under the Investment Law:** A unified, transparent process for allocating public land to investors in housing projects will be established. This will include clear eligibility criteria, documentation requirements, and timelines to prevent delays.
- **Establish a National Inventory of Investment-ready Land:** A centralised, digital inventory of public land available for housing investment will be developed in coordination with the NIC, MOF, and Governorates. Where possible, land should be pre-zoned and pre-cleared for residential use to streamline development. This avoids delays related to land-use changes.[21]
- **Introduce Time-Bound Approvals for Land-Related Procedures:** Legal and administrative timeframes will be introduced for the issuance of land titles and lease agreements related to investment projects. This will help reduce uncertainties and project delays caused by prolonged land registration.
- **Align Iraq's National Regulatory and Procedural Framework on Investment Facilitation with International Standards:** Instruments such as the Investment Facilitation for Development Agreement (IFDA) under the WTO establish global principles for streamlining procedures, enhancing transparency, and reducing administrative barriers. Implementing the provisions of this agreement will attract both local and foreign investors to engage in housing development and infrastructure projects.

[21] A digital centre was established based on the recommendation of the Ministry of Construction and Housing. Accordingly, the Council of Ministers approved Decision No. (24054) of 2024, assigning the Ministry of Water Resources to complete the establishment procedures and proceed with the creation of the National Land Management Data Center in Iraq.

- **Enhance Investor Protections and Dispute Resolution Mechanisms:** Continue implementing legal reforms including enactment of the PPP law to improve contracts between the two sectors, strengthen arbitration frameworks, and reduce investment risk.
- **Develop Standardised Public-Private Servicing Agreements for State Land:** Where developers are obliged to provide infrastructure, the government will provide model contracts that define infrastructure responsibilities, cost-sharing arrangements (where applicable), and timelines for service delivery to reduce ambiguity and support timely project execution.

**Justification:** Ensuring a more predictable and transparent investment environment for housing is crucial to attracting private capital and accelerate housing delivery. Measures will focus on reducing bureaucratic obstacles, simplifying permitting, and introducing time-bound processes for land approval and registration. Efforts to consolidate land records, increase inter-agency coordination, and enhance legal protections for investors will support the growth of a more competitive and responsive housing sector.

## **Policy 1.2: Leverage incentives for new cities, ensuring public good alignment.**

### **Sub-Pillar: New Cities & Investment Opportunity Lands**

**Issue:** Iraqis face a growing need for adequate housing, yet the potential of public and underutilised land to support large-scale housing development remains underleveraged due to fragmented land management, weak planning, and unclear investor obligations linked to public goods. The NIC offers a range of investor incentives to attract private investment in investment projects, intended to deliver large numbers of housing units. These incentives include multi-year tax exemptions, streamlined licensing, profit repatriation, and legal protections. Additionally, investors may receive land at no cost, either through transfer of ownership or long-term leases in exchange for delivering public benefits.

While the existing investment law outlines mechanisms for land allocation and other incentives, it does not specifically codify requirements related to public benefit, such as affordable housing set-asides, public or green space, or infrastructure obligations. Furthermore, although current housing investment projects are required to apply price ceilings to housing units, there is no standard regulatory framework to enforce these obligations effectively. The absence of legal clarity regarding affordable housing set-aside quotas, pricing, eligibility, allocation mechanisms, and enforcement reduces the effectiveness and transparency of these measures. A balanced approach is essential for attracting private investment while safeguarding the public interest and ensuring tangible public benefits.

**Recommendations:** This intervention aims to ensure that land and other incentives provided for investment projects including New City developments deliver tangible public benefits by codifying investor obligations, enforcing transparent incentives, and aligning private investment with Iraq's long-term housing and urban development goals, as follows:

- **Codify Public Benefit Obligations:** To ensure transparency and accountability, public benefit obligations will be formally codified into regulation and eventually into legislation, clearly specifying what developers are required to deliver in return for incentives. The MOCHPM proposes either 25 per cent of land, or 15 per cent of housing units (or other ratios determined according to the applicable year) returned to government ownership within National Investment projects. This can be achieved through an appropriate legal or regulatory bridge, whether by amending the National Investment Law or Regulations on implementation. Additional incentives, such as, tax breaks or expedited permitting, should also only be granted when developers meet clearly defined targets, including delivery of agreed infrastructure, green space, and affordable housing, and adherence to pre-determined housing price ceilings. These conditions should be clearly articulated in the regulations and embedded in legally binding agreements.
- **Standardise Implementation Frameworks:** Jointly develop regulations to standardise eligibility criteria, pricing ceilings, allocation mechanisms, and enforcement procedures. These provisions will also clarify ownership and handover responsibilities, resolving ambiguity over decentralised authority. Coordinated frameworks across Housing Directorates and Investment Commissions will ensure consistent implementation.
- **Enforce Inclusionary Housing Policies:** Formalise inclusionary housing requirements to ensure that public incentives yield tangible public benefits. Codified quotas and rules will deliver predictable outcomes, strengthen investor accountability, and significantly increase affordable housing stock, especially when embedded in large new residential projects. A clear, enforceable framework will enhance transparency and support consistent delivery of affordable units.
- **Strengthen Enforcement of Price Ceilings in Investment Housing Projects:** Establish binding compliance mechanisms to ensure adherence to approved unit price ceilings in housing projects. This should include mandatory reporting of sales prices, audit protocols, and penalties for violations such as resale above capped prices. Additionally, legal provisions should enable contract enforcement and, where necessary, the suspension or clawback of investor incentives for non-compliance.

**Justification:** Striking the best balance of investor incentives is essential to attracting the private capital needed for housing development while maximising the impact of limited public resources and land assets. To ensure this outcome, the transfer of land ownership or granting of land leases should be contingent upon developers meeting clearly defined affordability targets, pre-established price ceilings, and the delivery of agreed infrastructure and amenities. When well planned, managed, and enforced, the development of new cities can significantly advance the public good by creating high-quality, liveable neighbourhoods and expanding affordable housing supplies. These policies must ensure incentives adequately offset developer costs while delivering tangible social and economic returns. By leveraging inclusionary housing policies, clear regulatory frameworks, and structured incentives, Iraq can effectively align private investment with national development goals, generating measurable public benefits.



## Policy 1.3: Enable municipal authorities to unlock land for residential development.

### Sub-Pillar: Municipal Lands

**Issue:** Municipalities in Iraq control significant public land and oversee local planning but are unable to meet growing demand for residential plots due to weak planning processes, limited budgets, and fragmented oversight. Land is often not systematically converted for housing use, and allocation practices are frequently uncoordinated. Inadequate infrastructure financing further restricts the supply of serviced plots, particularly for low- and middle-income households.

**Recommendations:** This intervention enables municipalities, under the administrative oversight of the governorate, to offer and service land for residential development through planned urban expansions, transparent allocation and public-private partnerships. It also includes land allocation mechanisms that coordinate the roles of related parties, in accordance with national laws and regulations.

- **Identify Planned City Extension and Infill Development Opportunities:** Facilitate Municipalities in the governorates, in coordination with the General Directorate of Municipalities and the General Directorate of Urban Planning of MOCHPM, to identify areas for planned urban expansion in line with the policy of concentrated expansion by developing small and medium cities or by establishing new cities.
- **Implement Serviced Land Programme:** Where funding permits, municipalities will invest in essential infrastructure, subdivide land, and allocate residential plots through clear procedures. A dual pricing strategy could be implemented, whereby subsidised plots for priority groups are cross-subsidised through market-rate sales, ensuring both financial sustainability and social inclusion. Allocation of plots to vulnerable households will be based on criteria and comparative points established (or to be established) by the National Housing Council, ensuring alignment with the public interest.
- **Strengthen Public-Private Role in Providing Infrastructure:** In resource-constrained settings, municipalities may consider engaging with developers to service land in exchange for development rights, revenue-sharing, or serviced plot allocations. Land value capture tools will be used to finance infrastructure or cross-subsidise affordable plots. Municipalities may also draw on national programmes or provincial funds to co-finance infrastructure. Notably, Iraq has already begun piloting such an approach through the Real Estate Developer Programme, launched in 2024, which allows private developers to service state land for housing and allocate a share of plots to low-income households at affordable prices.
- **Support Strengthened Intergovernmental Coordination:** Establish structured coordination mechanisms between municipalities, governorates, and relevant national bodies, particularly the General Directorate of Physical Planning within MOCHPM, and governorate level Physical Planning Directorates, and MOF, to streamline planning and approval processes for municipal land. Regular consultations and clear decision-making protocols will reduce duplication, ensure municipal land-use decisions align with national housing strategies, and facilitate infrastructure planning and funding arrangements.

- **Ensure Compliant and Transparent Land Allocation:** Require that all land allocations comply with Law No. 21[22] of 2013 and its amendments and applicable Ministers' Cabinet decisions (e.g. COM 70/2019[23], 419/2019[24]). Allocations must also be publicly advertised.
- **Build Municipal Capacity for Land Planning and Infrastructure Management:** Support municipalities with technical assistance, training, and digital tools to improve the planning, servicing, and management of municipally owned land.

**Justification:** Municipal land, if strategically mobilised, represents a critical resource to meet Iraq's housing needs. By enabling municipalities to better plan, service, and transparently allocate land, this policy expands access to buildable land, reduces informal development, and leverages private capital for infrastructure. Dual pricing and land value capture tools can ensure affordability without large fiscal burdens, while clear eligibility and transparency provisions build public trust and mitigate corruption.

## **Policy 1.4: Establish a Unified Framework for Institutional Land Management and Public Sector Employee Housing.**

### **Sub-Pillar: Government Institution Lands**

**Issue:** Iraq's national public institutions own significant amounts of land, much of it underutilised or only partially used. While these lands offer potential for housing development, including for public employees, land use has often been fragmented, inconsistent, and lacking coordination. Ministries have, in some cases, allocated land for employee housing without legal clarity or alignment with urban plans. Overlapping mandates, and a lack of central oversight have affected the efficiencies and undermined the effective use of valuable state assets.

**Recommendations:** This intervention aims to bring nationally owned institutional lands under a unified housing framework by auditing, pooling, and managing public land assets in a transparent and coordinated manner, while enabling employee housing initiatives to align with national policy. The components include:

- **Conduct an Audit of Unused Publicly Owned Lands:** Unused state-owned land will be identified and catalogued in a digitised inventory to identify underused parcels suitable for housing at the Central Land Data Management Centre to classify land plots according to their development readiness and strategic priority, allowing the government to sell, lease, or develop sites in line with national housing targets. This will promote transparent, data-driven decision-making.

[22] Law on the Sale and Lease of State Property No. (21) of 2013 and its amendments: The Ministry of Finance is responsible for implementing this law, in coordination with the ministries, non-ministerial entities, and governorates.

[23] Concerning the provision of serviced land in the New Cities Project at the cost of services.

[24] Concerning the provision of unserved residential land (at a symbolic price set by the state).

- **Enhance Coordination for Land Allocation:** Establish stronger coordination mechanisms between higher authorities to ensure transparent allocation of existing lands and expansion of land supply when necessary. This will reinforce the work of the Land Allocation Committee, which brings together high-level representatives from relevant institutions, and help streamline decisions in line with national housing priorities.
- **Ensure Legal Compliance and Oversight:** Reinforce that land sales and allocation must comply with existing laws, such as the State Land Leasing and Sales Law No. 21 of 2013 and its amendments. Obstacles that impede efficient use are to be avoided. This will prevent ministries from acting unilaterally and ensure accountability.
- **Regularise informal settlements located on state-owned through transfer of ownership or long-term lease arrangements.** Align regularisation efforts with urban development plans and infrastructure upgrading. Ensure the process is transparent and participatory, with clear eligibility criteria and protections for vulnerable groups. Regularisation should result in secure tenure, connection to basic services, and integration into municipal planning.
- **Standardise Public Employee Housing Schemes:** Develop unified regulations to guide employee housing initiatives, including clear eligibility criteria, allocation procedures, and alignment with local plans and infrastructure standards. Ministries can propose housing subdivisions for their employees, subject to review by the High Committee, according to urban and rural housing standards.
- **Mandate Transparency and Public Reporting:** All land use and housing schemes on institutional land must be publicly reported. Revenues from sales or leases will be returned to the treasury or reinvested in housing, reducing the risk of political capture or mismanagement.

**Justification:** Iraq holds vast public land assets that, if properly managed, could significantly contribute to housing supply. A centralised and transparent land management system ensures these assets are used strategically and equitably. Formalising employee housing under national regulations safeguards fairness, zoning compliance, and service provision, while reducing pressure on broader housing demand. By pooling land, clarifying institutional roles, and enforcing legal compliance, Iraq can turn idle public lands into productive housing assets, aligned with the National Development Plan and National Housing Policy.

## **Policy 1.5: Activate idle private lands for housing development.**

### **Sub-Pillar: Private Land Activation and Subdivision Reform**

**Issue:** Certain areas of Iraq's urban and peri-urban land are privately owned but remain underutilised, limiting their contribution to housing development. Where appropriate, such land could be formally converted for residential investment projects, provided it is not designated as agricultural land or orchards, which must be protected. In some cases, large residential plots may also be subdivided to maximise their use and expand housing supply.



**Recommendations:** This intervention aims to make underutilised private land available for housing by facilitating subdivision in accordance with minimum plot size regulations, enabling private sector partnerships, expanding support for small landowners, and enforcing anti-speculation measures.

***For Large Parcels held by Individuals or Investors:***

- **Streamline the Subdivision Process for Large Plots of Land:** The MOCHPM, through the General Directorate of Municipalities and the General Directorate of Physical Planning, in coordination with governorate municipalities and Amanat Baghdad, will strengthen land administration systems to enable faster and more predictable approvals for subdividing large parcels for housing use, in accordance with minimum subdivision limits. Reforms will include establishing one-stop-shops to expedite zoning changes, layout approvals, and registration, as well as issuing expedited permits for private land development, subject to compliance with zoning requirements, infrastructure capacity, and other regulatory standards.
- **Provide Technical Support:** Provide urban planning assistance, model layout templates, and advisory services to landowners or investors seeking to develop residential subdivisions that meet urban design standards.
- **Enable Voluntary Development Partnerships:** Allow landowners to partner with public entities or developers under standard agreements and offer incentives such as partial infrastructure support, fast-tracking, or tax exemptions for those committed to delivering affordable, and fully serviced housing projects.
- **Align with Urban Plans:** Ensure privately driven housing projects conform with local master and structural plans to support coordinated growth.
- **Promote Land Pooling and Readjustment:** Encourage mechanisms that allow adjacent privately owned parcels to be consolidated and reconfigured for improved layout planning, infrastructure provision, and public space allocation.
- **Apply Benefit and Withdrawal Terms:** For any land-related investment license, especially where incentives or public resources are involved, required binding development timelines. Non-fulfilment of obligations will result in penalties, fines, or withdrawal of the license.

***For Small Plot Owners:***

- **Direct Loans to Land Holders:** Target IHF lending to those who have been allocated plots, for basic infrastructure and housing construction.
- **Promote Incentive-Based Planning Assistance:** Encourage municipalities to work directly with small landowners in areas suitable for housing, offering planning support and streamlining of official routine approval processes for projects compliant with urban plans.

### **For All Landowners:**

- **Modernise and Enforce Vacant Land Tax:** Revise and modernise the provisions of the amended Lands Tax Law No. 26 of 1962 by updating, plot size thresholds, and criteria for applicability, to ensure the law acts as an effective deterrent against idle landholding. The amendments should strengthen enforcement by clearly defining enforcement mechanisms and establishing digitised land registries.

**Justification:** Activating privately owned land, especially large undeveloped plots near urban centres, can significantly facilitate expansion of Iraq's housing supply. Streamlined approvals and voluntary development models reduce delays and support better coordination with urban plans. At the same time, small landholders, common in Iraq's incremental building tradition need targeted financial and planning support to build affordably and aligned with national housing goals. This policy creates a balanced framework to support all landowners while safeguarding the public interest.

## **Policy 1.6: Enhance land administration capacity to enable transparent, coordinated, and efficient housing development.**

### **Sub-Pillar: Enhance Land Administration Capacity**

**Issue:** Iraq's land administration system is marked by weak institutional coordination and outdated registries, which impede transparent and efficient land use. Multiple agencies hold overlapping mandates for land management, resulting in slow, inconsistent decision-making and undermining citizens and investors' confidence. The lack of a unified National Urban Policy and digitised land records further contributes to planning delays, tenure insecurity, and administrative inefficiencies. The exclusion of informal settlements from city plans perpetuates inequities and complicates efforts to provide infrastructure and legal tenure. These systemic barriers limit the capacity of the government to mobilise land for housing at the pace and scale required.

**Recommendations:** This intervention aims to modernise Iraq's land administration system by improving coordination among key institutions, implementing and developing a unified national urban policy, and making a serious attempt to integrate informal settlements into city planning, and digitising land records and registration systems. These reforms will establish a more reliable, and efficient land governance framework.

- **Develop a Comprehensive National Urban Policy:** Establish a unified vision for urban growth, land use, and infrastructure provision to guide transparent land management and clarify institutional roles. The National Urban Policy will link spatial planning to housing delivery at scale and provide an integrated framework for aligning legal, fiscal, and planning instruments across levels of government. This will enable more predictable, equitable, and efficient urban development outcomes.

- **Enforce Compulsory Strategic Housing Plans at Governorate Level:** Require governorate housing directorates to prepare clear strategic housing plans, with compulsory inclusion of low-income and vulnerable population needs. National planning guidelines, technical assistance, and review mechanisms will be introduced to support implementation and ensure consistency across governorates.
- **Integrate Informal Settlements and Slum Upgrading into Urban Plans:** Enact the informal settlements law and incorporate settlements into city master plans, to ensure access to social services, infrastructure, and legal tenure. Promote participatory in-situ upgrading and guided regularisation, ensuring that communities are actively engaged in planning, prioritisation, and implementation. This inclusion will enable urban infrastructure and service delivery to reach underserved populations while formalising tenure and supporting safer, more dignified living conditions.
- **Digitise Land Records and Modernise the Property Registry:** The Ministry of Justice General Directorate for Real Estate Registration Directorate will accelerate efforts to digitise land titles, streamline the registration process, and develop an electronic cadastre (e-cadastre). A modernised e-land governance system will significantly reduce fraud, facilitate faster and more transparent title transfers, and provide investors and residents greater security regarding land tenure and property rights. The digitised property database will be fully interoperable with UR or other e-government services. Enhanced interoperability will ensure seamless coordination across government agencies, improving the speed and efficiency of planning approvals, investment processes, and infrastructure delivery.
- **Conduct Periodic Housing Market Assessments:** Establish a regular cycle of housing market assessments to provide up-to-date evidence on housing prices, demand, supply, affordability, tenure patterns, vacancy rates, and housing conditions. These assessments will strengthen the evidence base for policy adjustments, investment planning, and programme design, ensuring that interventions remain responsive to changing demographic, economic, and social realities.
- **Strengthen Urban Planning and Land Conversion Capacity:** Establish a targeted capacity building programme for planning departments at both national and governorate levels to improve competencies in urban planning, land use conversion, and land-based financing mechanisms. Through the Housing Training & Development Centre of MOCHPM, the training will include the use of GIS and digital planning tools to support spatial analysis, land inventory management, and scenario modelling. It will also cover planning topics such as zoning, infrastructure phasing, land readjustment, and tools such as land value capture and impact fees. This will equip planners to mobilise land and financing more effectively for housing development.



**Justification:** A modern, integrated, and transparent land administration system is key to resolving Iraq's housing challenges. Strengthening institutional coordination, adopting a national urban policy, and digitising land governance will remove systemic bottlenecks and build investor confidence. Integrating settlements into urban plans will address spatial inequities and improve service access. Together, these reforms aim to accelerate the conversion of land for residential use, reduce delays in development approvals, and increase the supply of serviced land to support timely and efficient housing delivery.

## Land Management Monitoring & Evaluation Indicators

**Focus:** Releasing and managing land for housing through public-private partnerships, serviced land programmes, public land audits, regulatory reforms, and subdivision simplification. Key indicators include:

**Table 4: Land Management Monitoring and Evaluation Indicators**

| No | Indicator                                                                                                    | Data Source                                                                                                                                                                                                         | Indicator Unit                                                                                                                                         | Time Period               |
|----|--------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| 1  | The state's share of new city lands allocated to target groups, as approved by the National Housing Council  | <ul style="list-style-type: none"><li>Ministry of Construction, Housing, and Public Municipalities</li><li>Municipalities Directorates in the Governorates.</li><li>New-Cities Implementation Commission.</li></ul> | <ul style="list-style-type: none"><li>Residential area allocated in cities (square unit) or/and</li><li>Number of residential plots provided</li></ul> | Annual census (2025-2030) |
| 2  | Serviced residential plots (from the relevant municipality)                                                  | <ul style="list-style-type: none"><li>Ministry of Construction, Housing, and Public Municipalities</li><li>Municipalities Directorates in the Governorates.</li><li>The concerned Municipality</li></ul>            | <ul style="list-style-type: none"><li>Distributed residential area (square unit) or/and</li><li>Number of serviced residential plots</li></ul>         |                           |
| 3  | Unserviced residential plots (from the relevant municipality) / Resolution (419/2019)                        |                                                                                                                                                                                                                     |                                                                                                                                                        |                           |
| 4  | Municipal plots sold to the public at market price (the prevailing price)                                    |                                                                                                                                                                                                                     |                                                                                                                                                        |                           |
| 5  | Government plots allocated to government employees for housing purposes                                      | Ministry of Finance                                                                                                                                                                                                 |                                                                                                                                                        |                           |
| 6  | Residential plots made available as a result of re-sorting old large-area lands (with a minimum subdivision) | Relevant Municipality                                                                                                                                                                                               | Number of Residential Plots                                                                                                                            |                           |

## 2. Production of Housing Units

The goals of the housing production pillar are to significantly expand the supply of affordable, adequate, and resilient housing by activating multiple delivery channels and investment pathways. Its interventions target systemic constraints to large-scale development, such as low investor confidence, legal uncertainty, and bureaucratic inefficiencies, while also enabling scalable, inclusive approaches, such as core housing programmes and small-contractor-led construction. By improving the investment climate, facilitating access to credit, and streamlining self-build processes through one-stop housing centres, the policy seeks to mobilise public-private partnerships, empower local builders, and support owner-driven construction.

### **Policy 2.1: Refine mechanisms to attract investors to implement New Cities Projects.**

#### **Sub-Pillar: Improving the Investment Climate for Large-Scale Residential Development**

**Issue:** While Iraq's existing investment framework has attracted investors to implement large housing projects under the National Investment Law (Investment Law No. 13 of 2006 as amended), challenges persist due to inconsistent regulatory implementation, political instability, administrative inefficiency, and fragmented governmental coordination. These issues undermine investor confidence and limit interest in large-scale residential development, particularly in new cities critical to addressing Iraq's spatial development and delivering significant housing supply. A more stable, transparent, and efficient investment environment is needed to mobilise strategic capital and technical capacity.

**Recommendations:** This intervention aims to enhance investor confidence and project execution by standardising regulatory frameworks, streamlining procedures, and strengthening legal safeguards, as follows:

- **Streamline and Harmonise Regulations:** Review and align investment laws and implementing regulations to eliminate inconsistencies, ensure predictable application, and establish common interpretations across institutions. Establish clear guidelines to prevent overpricing of investment residential units, helping to maintain affordability and protect consumers.
- **Ensure Oversight by Designated Agencies:** Strengthen supervision and monitoring of investment projects by responsible government bodies to ensure their proper implementation through the consistent application of approved standards, specifications, and applicable laws.

- **Establish a Digital Platform for Development Approvals:** Deploy a national e-platform for tracking development approvals, land documentation, and permitting workflows to reduce delays and improve transparency.
- **Strengthen Investment Protection:** Issue clear regulations requiring public and private entities to provide formal protections for investors, including dispute resolution mechanisms, capital repatriation rights, and safeguards against arbitrary interference, while ensuring that the rights of citizens and the state are upheld.
- **Simplify Licensing and Approvals:** Introduce consolidated approval mechanisms with fixed timelines and unify processes across ministries to minimise duplication and administrative delays.
- **Integrate Accredited Professional Consultancies:** Recognise licensed legal, technical, and financial advisory firms and integrate them into project preparation and negotiation processes to support better-aligned, high-quality investments.
- **Protect Policy Continuity:** Introduce legal instruments or institutional practices to protect approved investment projects from policy reversals, leadership turnover, or discretionary administrative changes.

These reforms should be institutionalised through amendments to the National Investment Law and associated regulations to ensure long-term enforceability.

**Justification:** Providing adequate housing in Iraq requires large-scale, long-term investment in large residential projects with good technical standards and specifications to ensure implementation under government supervision. Streamlining the investment environment, through legal clarity, digital platforms, and procedural efficiency, reduces investor risk and accelerates project timelines. By protecting investors from arbitrary changes and fostering professional project development, the government can signal stability and competence. These measures will position the country as a competitive destination for housing investment while ensuring that investment delivers tangible social returns in the form of affordable, well-served, and climate-resilient housing for its growing population.

**Policy 2.2:** Implement a nationwide “core housing” programme as part of the national investment plan, focusing on low-cost, core homes that can be incrementally expanded.

### **Sub-Pillar: Delivery of Core Housing through Investment Projects**

**Issue:** A significant portion of Iraq’s population, particularly low-income families and vulnerable groups cannot afford housing at prevailing market prices. There is a clear mismatch between household incomes and the cost of housing, especially for low- and middle-income earners.



Conflict, displacement, and limited public funding have further contributed to housing insecurity, with many families living in substandard or overcrowded conditions. Previous public housing programmes have proven too costly to scale and often failed to reach the lowest-income households. A new approach is needed to deliver adequate housing solutions quickly, while enabling families to improve their homes incrementally over time.

**Recommendations:** This intervention aims to deliver cost-effective, expandable housing units to low-income households through public-private partnerships under the National Investment Plan. Key components include:

- **Launch Core Housing Programme:** Provide beneficiaries with titled, serviced plots and modest, hazard-resistant core housing units equipped with essential infrastructure (e.g., water, sanitation, electricity). These core units are designed to serve as a liveable foundation that households can expand over time.
- **Ensure Affordability and Subsidies:** The cost of land will be excluded from the price of the housing unit, creating a significant public subsidy. Financing could be supported through cross-subsidisation mechanisms, developer incentives, and the creation of dedicated funding streams such as, housing trust funds.
- **Establish Clear Supervision and Monitoring Mechanisms:** Set up oversight and monitoring structures within designated government agencies to ensure the implementation of a core housing programme is in accordance with approved standards, specifications, and applicable laws, and that housing units delivered meet quality and safety requirements.
- **Facilitate Incremental Expansion:** Introduce tailored financial instruments, such as microloans, incremental loans, and self-help labour contributions to support families in expanding their homes over time.
- **Designs and Approvals:** Develop prototype designs that are climate-responsive, hazard-resistant and suitable for persons with limited mobility. Introduce a simplified regulatory process for approving future home expansions.

**Justification:** Core housing offers a scalable, cost-effective solution to expand access to decent housing for low-income and vulnerable groups. By formalising Iraq's long-standing tradition of incremental, self-built housing through structured public-private investment, the programme enables broader housing delivery within constrained public budgets. Secure tenure, basic infrastructure, and legal expansion pathways ensure housing remains liveable, adaptable, and affordable over time. This approach also supports rapid progress toward reducing the housing gap and contributes to community-led urban development.

## Policy 2.3: Enable local builders to scale up housing production.

### Sub-Pillar: Incentivise And Build Capacity of MSME Contractors to Build Housing

**Issue:** Contractors and builders have long been the backbone of Iraq's housing production, delivering since the 1980s, an estimated 80-90 per cent of new housing, mostly single-family homes. Typically, households acquire land and hire local builders directly, resulting in a fragmented, incremental approach that is slow relative to the national demand for housing. Despite their important role, MSMEs face persistent barriers to scaling up. These include limited access to finance, outdated construction methods, weak technical support, and a lack of training opportunities. The sector is chronically undercapitalised, with only a handful of large firms and many micro-enterprises operating in isolation. According to the International Trade Centre (2025), MSMEs cite complex loan procedures (37 per cent), high interest rates (32 per cent), and unfavourable terms (23 per cent) as the main obstacles to obtaining finance. Without targeted support, MSMEs will continue to deliver significant but insufficient housing production relative to Iraq's national demand.

Further, the private sector can play a key role in advancing climate adaptation and mitigation in housing construction. Firms are well placed to introduce energy-efficient designs, low emission construction techniques, and climate resilient building materials. However, they struggle with high upfront costs, lack of government support, and low levels of awareness and training.

**Recommendations:** This intervention aims to unlock the housing potential of small contractors through improved financing access, capacity building, and streamlined procurement processes.

- **Ease Access to Finance:** Establish simplified loan procedures and create dedicated credit lines or loan guarantees for small contractors. Government and private banks may partner to offer low-interest construction loans tied to housing delivery milestones.
- **Deliver Capacity Building:** Training and development centres in the ministries and vocational training institutes or international partners, in addition to civil society organizations will implement certified training on green and modern building techniques, housing maintenance, renovations and retrofitting, digital tools, and business management.
- **Streamline Procurement Processes:** Simplify public procurement procedures to broaden participation of small firms to compete for modest housing projects or subcontracts within larger projects. This will expand market access, encourage competition, and build the capacity of emerging firms.

- **Provide Technical Support:** Offer standardised housing designs and ensure that technical assistance (e.g. from engineers and architects) is available to support small builders in meeting minimum construction and safety standards.
- **Support Bulk Purchasing and Cooperative Procurement Models:** Promote pooled purchasing arrangements for construction materials to lower input costs. This may include facilitating procurement cooperatives or enabling large-scale bulk procurement through public-private coordination.[25]
- **Promote Decent Work:** Seek to integrate socio-economic dimensions such as decent work including fair wages, inclusivity, working conditions, occupational safety and health (OSH) standards, social security and green jobs which can be implemented through various means including a National Public Works Programme.
- **Integrate Resilient Housing Design:** Provide guidance and incentives to support the adoption of housing models that incorporate passive cooling, heat-resistant materials, and flood-resilient design. Promoting these practices will reduce climate-related vulnerabilities and protect housing stock from extreme weather events.
- **Promote Green Housing Job Skills:** Provide technical support to advance sustainable housing practices that reduce environmental impacts and improve resilience to climate change. This will include awareness-raising, capacity building, and collaboration among MSMEs on energy-efficient design and climate-adaptive construction methods. Pilot training sites and demonstration projects will showcase green solutions, while competency-based training will focus on practical skills for new building technologies. Partnerships with universities, suppliers, and innovators will help mainstream sustainable practices in the housing sector.[26]
- **Align with Green Construction Sector Strategy:** Coordinate closely with public and private stakeholders to ensure housing development initiatives align with and support the implementation of Iraq's sustainable construction sector strategies, enhancing innovation, productivity, and value addition in residential construction. This coordination will also strengthen institutional capacity, improve regulatory coherence and foster stronger linkages between the housing and construction sectors.

[25] Similar to the Iraqi Ministry of Trade's initiative, the "Construction Basket" initiative was launched, which directly addresses the construction sector and links trade with urban and social development.

[26] International Trade Centre, Iraq's Housing Construction Sector: An MSME perspective, March 2025, Policy Recommendations, Adoption of Green Solutions, 33.



**Justification:** Supporting small builders is a practical and cost-effective way to scale up housing production while stimulating local economic development. With most housing in Iraq already delivered through small firms, facilitating increased productivity with finance and technical support will yield rapid results. By building know-how, small firms can take on more ambitious projects, employ more workers, and build to better and more sustainable standards. Strengthening the capacity of MSMEs will also help modernise the construction sector, improve building quality, and mainstream green building practices.

Public support to small contractors through training, access to capital, and procurement reforms, will boost productivity, expand job creation, and raise incomes. This decentralised, demand-driven model complements larger-scale projects and ensures that housing delivery occurs across diverse household types and geographic areas. Over time, this approach can also contribute to poverty reduction and greater resilience among Iraq's construction workforce.[27]

## **Policy 2.4: Create “One-Stop Housing Centres” to streamline and support self-built housing construction.**

### **Sub-Pillar: Facilitate and Simplify Owner-Builder Processes and Access to Credit**

**Issue:** A significant share of Iraqi families build or improve their own homes, reflecting cultural norms and gaps in formal housing supply. However, owner-builders often face complex and fragmented administrative procedures. Accessing permits, utilities, formal land titles, and housing loans can involve multiple agencies with inconsistent requirements, causing delays and confusion. These barriers discourage formal compliance and contribute to informal construction. Iraq has ranked near the bottom in the Middle East on ease of registering property, reflecting inefficiencies in the system. Contradictory laws and fragmented authority further weaken enforcement, making it difficult for households to navigate the system and invest in safe, legal construction.

**Recommendations:** This intervention will simplify regulatory procedures and establish integrated, user-friendly service centres for owner-builders, as follows:

- **Establish One-Stop Housing Platform:** Building on the National Data Centre's UR platform, expand digital services where households can easily access all required services for home construction in one location, including permits, land title verification, utility connections, and loan referrals. Services will be coordinated across municipal departments and utilities to streamline approvals and reduce delays. They will also provide access to housing finance options from the IHF and REB, and offer simple technical guidance, including pre-approved housing designs and on-site advisory support. Services will be tailored based on location, language, and digital literacy.

[27] The census process can be conducted through the Social Security database.

- **Promote Transparent Land Management:** Establish a National Urban Policy or other regulatory guidance to promote transparent land management by standardising and clarifying land administration processes across all levels of government. This greater transparency and coordination directly support housing policy implementation and links to housing delivery by ensuring that land can be allocated efficiently and fairly for new housing projects.
- **Streamline Regulatory Procedures:** Review and amend laws and procedures to reduce unnecessary steps and standardise building permit requirements across municipalities. Establish clear timelines for approvals and assess permitting fees to ensure affordability.
- **Delegate Local Approval Authority:** Enable governorates to formally delegate authority to governorate level Housing Directorates to approve standard residential construction permits. This aligns with Iraq's decentralisation framework and would reduce delays by streamlining necessary permit issuance for self-builders at the local level.

**Justification:** Simplifying the self-built housing process will unlock the potential of citizens to contribute meaningfully to housing delivery. Streamlined procedures and integrated support services can dramatically reduce time and costs, while encouraging safer, legal construction. This decentralised, facilitative model promotes greater compliance with planning standards and better integration of owner-driven housing into planned urban development. Delegating approvals to local authorities, supported by responsive digital systems, will improve service delivery, boost trust, and accelerate housing starts. A modern land registry further reinforces tenure security, encouraging investment in better-built homes and reducing informality.

### Production of Housing Units Monitoring & Evaluation Indicators

**Focus:** Scaling up housing construction by private investors, government public programmes, small contractors, and individual homebuilders. Key indicators include:

**Table 5: Housing Unit Production Monitoring and Evaluation Indicators**

| No | Indicator                                                                                 | Data Source                                                                                                                                                                                                      | Indicator Unit                                                                                            | Time Period               |
|----|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|---------------------------|
| 1  | Listed housing projects (for ministries and governorates)                                 | <ul style="list-style-type: none"> <li>Ministry of Construction, Housing, and Public Municipalities</li> <li>Governorates' Housing Directorates</li> <li>Ministry of Planning</li> </ul>                         | <ul style="list-style-type: none"> <li>Number of residential units</li> <li>Number of projects</li> </ul> | Annual census (2025-2030) |
| 2  | The state's share of housing units in the new cities project                              | <ul style="list-style-type: none"> <li>Ministry of Construction, Housing, and Public Municipalities</li> <li>Governorates' Municipalities Directorates</li> <li>New-Cities Implementation Commission.</li> </ul> |                                                                                                           |                           |
| 3  | Private residential investment projects                                                   | <ul style="list-style-type: none"> <li>National Investment Commission</li> <li>Investment Commissions in the Governorates</li> </ul>                                                                             |                                                                                                           |                           |
| 4  | Housing projects on the poverty alleviation strategy                                      | <ul style="list-style-type: none"> <li>Ministry of Planning</li> </ul>                                                                                                                                           |                                                                                                           |                           |
| 5  | International organizations and civil society                                             | <ul style="list-style-type: none"> <li>Governorates</li> <li>Organizations</li> </ul>                                                                                                                            |                                                                                                           |                           |
| 6  | Building permits issued for new residential units for residents                           | <ul style="list-style-type: none"> <li>Concerned municipalities</li> </ul>                                                                                                                                       | <ul style="list-style-type: none"> <li>Number of building permits</li> </ul>                              |                           |
| 7  | Loans granted to small and medium-sized enterprise contractors to build residential units | <ul style="list-style-type: none"> <li>Iraq Housing Fund</li> <li>Real Estate Bank</li> <li>Private Banks</li> </ul>                                                                                             | <ul style="list-style-type: none"> <li>Number of loans</li> <li>Value of loans</li> </ul>                 |                           |



### 3. Housing Finance

The housing finance interventions aim to expand access to affordable, inclusive, and sustainable financing for construction, purchase, and improvement. The interventions promote a diversified ecosystem involving private banks, microfinance, and Islamic finance, while addressing key constraints such as limited mortgage availability, and poor capital flows. Interventions include de-risking private lending, strengthening public finance institutions, establishing refinancing tools, and introducing culturally appropriate products. The policy also supports alternative models like Community Land Trusts and rent-to-own (i.e. renting for the purpose of owning) schemes to improve access to housing and financial inclusion, especially in rural and small and mid-cities, promoting spatial equity for underserved households.

#### **Policy 3.1: Establish a diversified housing finance ecosystem by expanding beyond reliance on government loans.**

##### **Sub-Pillar: Diversify Sources of Housing Finance**

**Issue:** Iraq's housing finance system currently relies heavily on limited funding from government institutions, notably the National Housing Fund (NHF) and the Real Estate Bank (REB). Private-sector involvement remains minimal due to low bank capitalisation, legal constraints, and the dominance of state-run lending mechanisms. Existing public lending institutions face significant limitations, including funding caps, restrictive eligibility criteria, and limited outreach, particularly affecting informal and lower-income groups. Additionally, a (2025) International Trade Centre survey stated that 31 per cent of respondents cited the absence of Islamic finance options as a primary barrier to accessing housing loans and mortgages. Consequently, most Iraqi households, especially those in informal and low-income categories, are effectively excluded from formal housing finance, driving many to seek solutions in informal, unregulated markets. Closing these gaps will help expand access to housing by increasing the availability of affordable and adaptable financing options for a broader segment of Iraqi households.

**Recommendations:** This intervention aims to create a more inclusive and sustainable housing finance ecosystem by strengthening public lending institutions, incentivising private bank participation, and introducing innovative models for underserved groups.

- **Increase Capital of Public Housing Finance Institutions:** The Ministry of Finance, in coordination with the National Housing Council, will develop a multi-year capital infusion plan for the IHF and REB, explicitly outlining annual budget allocations and mechanisms for their disbursement. Furthermore, financial regulations or laws governing IHF and REB will be amended to legally permit and formalise the reinvestment of a significant percentage (e.g., 50-70 per cent) of all principal and interest repayments back into their housing loan portfolios.

- **Devise Income Based Loan Products:** The IHF and REB, with technical assistance, will design and pilot income-adjusted loan products that offer lower interest rates or fees, and longer repayment terms for lower-income households and informal sector workers. Product options may include graduated payment schedules, flexible repayment frequency, or extended loan tenors. International technical support will be leveraged to modernise underwriting, risk assessment, and design products that serve informal income earners.
- **Establish a Housing Refinancing Facility:** Create a government-backed second-tier facility to provide long-term, low-interest liquidity to banks and microfinance institutions (MFIs) offering housing loans. This will refinance eligible loan portfolios (e.g., self-builders, incremental construction) and lay the foundation for a future mortgage liquidity institution.
- **Expand Housing Microfinance:** Facilitate small-scale, progressive housing loans targeted at land purchase, incremental construction, or home improvements through MFIs. This can be supported by licensing reforms, capacity building, and access to concessional refinancing through the proposed Housing Refinancing Facility. Housing microfinance products are typically more flexible, better suited to informal incomes, and can be delivered through community-based models that reduce administrative costs and improve repayment rates.
- **Scale Up Sharia-Compliant Housing Finance:** Encourage the development of Islamic finance products through public and private lenders. These may include ijara (lease-to-own), murabaha (cost-plus financing), or musharaka (co-ownership) structures. The Central Bank of Iraq should support this expansion by issuing clear guidelines for Islamic housing products and establishing a national guarantee fund for Sharia-compliant loans, improving trust and uptake among lower-income or religiously observant populations.
- **Pilot Inclusive Ownership Models:** Explore innovative approaches such as Community Land Trusts[28] (CLTs), shared equity arrangements, and rent-to-own schemes to support lower-income households. These mechanisms reduce entry barriers, promote long-term affordability, and allow public subsidies to be recycled over time.
- **Provide Affordable Housing Opportunities to Vulnerable Groups:** For households unable to access market-rate housing, MOCHPM, in coordination with MOP, will develop targeted affordable housing programmes aligned with the vulnerability groups (21) identified by the National Housing Council. These programmes will maximise limited government resources by leveraging innovative financing solutions, including blended finance, cross-subsidies, and public-private partnerships. Tailored support mechanisms will ensure housing solutions effectively meet the diverse needs of the established beneficiary categories in Iraq.

[28] Community Land Trusts (CLTs) represent an innovative model of land management that aims to promote housing equity, environmental sustainability, and local empowerment, particularly in low-income or displacement-prone communities.

- **Introduce Green Housing Finance Instruments:** The Central Bank of Iraq in coordination with private and state banks will promote climate-resilient and low-carbon housing development through green bonds, and, where appropriate, the securitisation of green housing assets. This includes reviewing and adapting regulatory frameworks to incentivise climate-smart investments and facilitating banks and MFI to offer tailored products for energy-efficient home improvements.
- **Leverage WTO Accession to Strengthen Housing Finance:** WTO accession can help reduce dependency on government loans by creating a more favourable environment for diversified housing finance. By opening markets and promoting transparent trade and investment policies, WTO membership can attract foreign banks, investors, and private financial institutions into the housing sector. This increased participation can expand access to mortgages, private credit, and alternative financing mechanisms, reducing the burden on government-backed loans. Furthermore, greater competition and improved regulatory standards can lower borrowing costs and stimulate the development of financial products tailored to housing needs.

**Justification:** Expanding and diversifying Iraq's housing finance ecosystem is essential to addressing the country's growing housing deficit, particularly among informal and lower-income populations. The current system, dominated by state-owned lenders such as the Real Estate Bank and Iraq Housing Fund, lacks the capital, reach, and flexibility needed to meet evolving demand.

Diversifying the system will enhance resilience and responsiveness by leveraging MFIs, private banks, Islamic finance providers, and climate-focused financial tools. These actors can offer more tailored, income-adjusted products better suited to Iraq's labour market and housing typologies. At the same time, modernising regulatory frameworks and introducing de-risking instruments will help crowd in private sector financing while ensuring access to affordable credit. Strengthening the role of both public and private financial institutions in housing will reduce reliance on federal budget allocations.

## **Policy 3.2: Link land allocation programmes with targeted housing finance mechanisms.**

### **Sub-Pillar: Linking Land Management with Access to Finance**

**Issue:** A persistent disconnect between land allocation and housing finance has undermined Iraq's ability to convert public land into actual housing supply. While land is often allocated through grants or subsidised sales, especially in new towns or for vulnerable groups, these programmes are rarely linked to affordable construction finance. Without the resources to build, many households leave their plots undeveloped or resort to informal, unregulated construction. The absence of affordable and accessible financing means that land allocation alone cannot improve housing conditions for lower- and middle-income families. This disconnect limits the impact of land policy and contributes to inefficient land use, unfulfilled development goals, and motivates informal settlement expansion.

**Recommendations:** To ensure that land allocation results in timely and inclusive housing development, land and finance programmes will be strategically linked through the following measures:

- **Pair Land Allocation with Affordable Finance:** Expand the Iraq Housing Fund's mandate to provide concessional loans specifically for beneficiaries of public land allocation programmes, including for land purchase, core housing, or incremental construction.
- **Scale Up Sites-and-Services Models:** Prioritise pro-poor "sites-and-services" approaches that offer titled, serviced plots together with phased, incremental loans, enabling households to build affordably over time and in line with their income.
- **Leverage Partnerships with MFIs and Private Banks:** Encourage MFIs and private lenders to provide small, flexible housing loans, especially for informally employed or low-income families receiving plots through public programmes.
- **Integrate Financing into Informal Settlement Regularisation:** Embed financing tools, such as, grants, subsidies, or incremental loans into land regularisation and upgrading schemes, allowing informal landholders to transition into legal ownership and safe construction.
- **Unify Land and Housing Finance Platforms:** Create a coordinated institutional mechanism, anchored by the Iraq Housing Fund, to consolidate land and housing finance instruments and align public land allocation with housing development outcomes.

**Justification:** Land access without affordable financing fails to sufficiently produce housing. To fully realise the value of Iraq's land allocation programmes, they must be integrated with timely, tailored, and inclusive housing finance solutions. Linking land to finance helps ensure that serviced plots translate into real housing, reduces informal construction, and accelerates formal housing development. It also improves the efficiency of public investment by ensuring that land allocated for housing meets its intended purpose.

By embedding incremental finance into land programmes, lower-income households can build gradually, legally, and safely. Expanding the role of MFIs and nonprofit organizations strengthens outreach and delivery, especially in informal or underserved areas.



### **Policy 3.3:** Raise the loan ceiling and improve lending terms in districts, sub-districts, and rural areas to incentivise development outside main urban centres.

#### **Sub-Pillar: Increase the Lending Ceiling in Rural, Small, and Mid-Cities to Promote Balanced Development**

**Issue:** While housing finance access has expanded in Iraq in recent years, most loan activity remains concentrated in Baghdad and a few major urban centres. Smaller cities, towns, and rural districts continue to face limited access to affordable housing loans, and current loan ceilings do not reflect the diverse construction costs across different regions. Uniform loan terms and risk-averse lending practices discourage financial institutions from serving less populated or remote areas. This contributes to uneven spatial development and underinvestment in smaller centres. Without targeted lending interventions, these regional disparities will persist and limit the ability of rural and district-level communities to participate in national housing development.

**Recommendations:** The government will introduce a targeted housing finance programme that adjusts lending terms to improve access in underserved regions. Key components include:

- **Adjust Loan Ceilings and Terms:** Through the Housing Fund and participating banks, increase loan amounts and extend repayment periods in designated secondary cities, new towns, and rural districts to reflect actual construction costs and support more viable homebuilding.
- **Target Loans Geographically:** Allocate a defined share of annual housing loan disbursements to designated non-urban areas, including secondary cities and rural districts, to ensure equitable distribution of financing across all governorates.
- **Coordinate with Spatial Development Policy Department:** In partnership with the MOCHPM, identify priority areas where land and infrastructure are available to support new housing. Initiate pilot programmes in these areas such as incremental housing finance in rural districts, rehabilitation loans in older town centres, or financing for model housing projects in secondary cities.

**Justification:** Improving loan access in districts and rural areas directly supports Iraq's goal of balanced spatial development. By developing finance options that align with the realities of non-urban construction, these interventions can increase the viability of housing development outside major cities, helping families remain in their communities. Increased lending in these areas can also support the local construction sector, generate employment, and reduce migration pressure on major urban centres. When housing finance is aligned with spatial development plans and local infrastructure readiness, it promotes more efficient, regionally balanced growth. These interventions also help to extend the benefits of national housing programmes to all governorates.

## Policy 3.4: Provide facilities for government-subsidised housing loans to enable private lending.

### Sub-Pillar: Increase the Ability of Private Banks to Provide Affordable Loans

**Issue:** Private banks in Iraq currently play a limited role in housing finance. Most avoid mortgage lending due to insufficient long-term funding instruments, high perceived risk, and lack of foreclosure and loan recovery mechanisms. Regulatory barriers and weak collateral recovery have disincentivised private lending. Additionally, smaller banks lack the liquidity and technical capacity to offer competitive housing products, particularly to underserved populations.

**Recommendations:** This intervention focuses on creating enabling conditions for private bank participation in housing finance by addressing legal, regulatory, and structural barriers, and establishing a government-backed credit facility. The components of this intervention include:

- **Establish a Housing Credit Facility:** The Central Bank of Iraq in coordination with MOF will develop and launch a credit facility to provide long-term, low-interest funding to private banks issuing qualified housing loans. This facility will complement the refinancing mechanism by offering direct liquidity support and incentivising broader lending to underserved market segments.
- **Introduce a Mortgage Risk-Sharing Mechanism:** Launch a guarantee scheme through the Ministry of Finance or Central Bank to partially cover losses on eligible loans, reducing credit risk for participating banks.
- **Enact Regulatory Reforms:** Amend the Real Estate Rental Law to clarify foreclosure and collateral enforcement procedures. Repeal automatic leaseholds, introduce temporary tenant support (e.g., rental aid or social housing), and streamline judicial foreclosure processes.
- **Provide Technical Assistance to Banks:** Support product development for standardised Islamic and conventional loans. Offer guidance on underwriting, borrower assessment, and digital lending platforms for broader outreach.
- **Prioritise Housing Loans through Regulatory Incentives:** Classify housing finance as priority sector lending to allow reduced reserve requirements, modest subsidies, and regulatory flexibility for participating institutions.
- **Establish a secondary mortgage market:** Move towards enacting or activating relevant legislation and allow both public and private banks to borrow from institutions with available capital, such as the Pension Fund, insurance companies, and minors' funds.

**Justification:** Private banks are essential to expanding Iraq's housing credit pool, but they require incentives and a more predictable legal environment. A credit facility and risk-sharing scheme, paired with legal reform and technical support, will enable banks to lend more confidently and responsibly. Over time, this will stimulate market competition, expand access to credit, and diversify loan products. These reforms will also lay the groundwork for future innovations such as a secondary mortgage market or asset-backed securities, improving long-term capital mobilisation for housing.

## Monitoring and Evaluation Indicators for Housing Finance

**Focus:** Diversifying and expanding housing finance options through public and private lending, joint-stock companies, and capital investment. Key indicators include:

| Table 6: Housing Finance Monitoring and Evaluation Indicators |                                                                                                                                                          |                                                                                                                                                                                   |                                                                                                      |                           |
|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|---------------------------|
| No.                                                           | Indicator                                                                                                                                                | Data Source                                                                                                                                                                       | Indicator Unit                                                                                       | Time Period               |
| 1.                                                            | Housing loans issued by public and private banks, as well as newly established financing companies.                                                      | <ul style="list-style-type: none"> <li>Public banks</li> <li>Private banks</li> <li>Joint-stock companies</li> </ul>                                                              | <ul style="list-style-type: none"> <li>Number of loans</li> <li>Value of loans</li> </ul>            | Annual Census (2025–2030) |
| 2.                                                            | Government budget financing for public housing projects (annual public expenditure on housing programmes).                                               | <ul style="list-style-type: none"> <li>Ministry of Construction, Housing, and Public Municipalities</li> <li>Ministry of Finance</li> </ul>                                       | <ul style="list-style-type: none"> <li>Allocation of financial amounts from the budget</li> </ul>    |                           |
| 3.                                                            | Public and private initiatives that facilitate access to loans for housing maintenance.                                                                  | <ul style="list-style-type: none"> <li>Ministry of Construction, Housing, and Public Municipalities</li> <li>Central Bank of Iraq</li> <li>Authorised Commercial Banks</li> </ul> | <ul style="list-style-type: none"> <li>Number of initiatives</li> <li>Value of initiative</li> </ul> |                           |
| 4.                                                            | Financing allocated by banks (public and private) for housing maintenance to support the transition to green practices (solar energy, insulation, etc.). | <ul style="list-style-type: none"> <li>Central Bank of Iraq</li> </ul>                                                                                                            | <ul style="list-style-type: none"> <li>Percentage of contribution</li> </ul>                         |                           |

## 4. Infrastructure

Infrastructure policy interventions aim to ensure that Iraq's housing sector development is supported by robust, inclusive, and sustainable infrastructure. It addresses the urgent need to expand essential services to keep pace with urban growth and prevent unserved settlements. The recommendations focus on coordinated infrastructure planning, upgrading ageing networks, extending services to informal settlements, and improving service delivery through institutional reforms and sustainable financing. By linking infrastructure expansion to housing needs, and leveraging tools like public-private partnerships, land-based finance, and targeted subsidies, the policy aims to create liveable, equitable, and resilient urban environments across Iraq.

### **Policy 4.1: Invest in Essential Infrastructure Capacity to Support Planned Housing Expansion and New Developments.**

#### **Sub-Pillar: Essential Infrastructure for Urban Expansion**

**Issue:** The capacity to supply infrastructure in Iraq, such as water supply, sewage treatment, electricity, and road networks, has not kept pace with the needs of a growing urban population and new housing construction. In this context, developing new residential areas, whether planned city extensions, new subdivisions, or satellite towns, faces delays or reduced quality because core infrastructure is either insufficient or entirely absent. Without adequate investment in infrastructure capacity, new housing units risk becoming unserved, replicating patterns of informal or substandard settlements. Moreover, connecting new developments to overstretched infrastructure networks can cause wider system failures, jeopardising service delivery across entire cities.

**Recommendations:** This intervention aims to ensure that housing developments are supported by adequate infrastructure through active coordination, diversified financing tools, and the gradual introduction of fair cost-recovery mechanisms as follows:

- **Coordinate Infrastructure and Housing Approvals:** Require all major housing developments (public or private) to secure infrastructure service agreements before final approval. Expand developer obligations under NIC projects to contribute to off-site infrastructure through mechanisms like fees, joint ventures, or land-based finance.
- **Implement Public Works Programmes to Support Infrastructure Expansion in New Residential Areas:** Launch a Targeted Public Works Programme to accelerate the completion of essential infrastructure projects, such as roads, water supply, sanitation, and electricity—in newly planned residential areas, including urban expansions and new cities. Since these projects are led by private sector partners, the public works programme will be implemented through contractual arrangements that may require or incentivise developers to allocate specific infrastructure tasks, such as, site preparation, paving, and other works, to local teams or contractors participating in national public employment programmes.



- **Leverage PPPs and Land-Based Finance:** Mobilise necessary infrastructure financing through public-private partnerships (e.g., energy generation and water treatment) and by applying tools such as land value capture and infrastructure bonds. Revenues generated from the increased land value in new development areas can be directed to fund essential infrastructure.
- **Support the Use of Renewable Energy Technologies in New Projects:** Encourage the adoption of solar energy technologies in planned residential areas through supporting rooftop solar panels, solar water heaters, and solar-powered street lighting. Incentives and public-private partnerships can be used to reduce upfront costs and enhance long-term energy efficiency, in line with Iraq's climatic conditions.
- **Integrate Nature-Based Solutions for Climate Resilience:** Integrate green infrastructure elements such as rooftop gardens, urban tree planting, and permeable pavements into new housing projects to mitigate urban heat island effects, manage stormwater, and improve environmental quality. These approaches contribute to climate adaptation and create healthier urban environments.
- **Enhance Water Efficiency:** Improve water management in new residential areas through measures like rainwater harvesting systems, sustainable drainage systems, and decentralised wastewater treatment. These approaches reduce reliance on central infrastructure, increase resilience, and support more sustainable water use in expanding urban areas.

**Justification:** Investing in essential infrastructure is a prerequisite for sustainable housing development and urban growth. Without adequate services, housing projects cannot function as viable communities. Coordinated development prevents informal development (and ensures housing delivery is aligned with infrastructure capacity. The use of PPPs and developer contributions reduces the financial burden on the state and leverages technical expertise and efficiency. By ensuring infrastructure development proceeds in tandem with housing, Iraq can improve climate resilience and environmental protection, This approach also reduces risks of urban sprawl and informal development.

## **Policy 4.2: Rehabilitate and Upgrade Urban Infrastructure Networks to Improve Service Quality and Capacity.**

### **Sub-Pillar: Upgrading Existing Infrastructure (Outside New Cities)**

**Issue:** Many urban neighbourhoods in Iraq suffer from ageing, damaged, or inadequate infrastructure. Residents frequently experience service disruptions in water, power, sanitation, and road access. Even in formally planned areas, deteriorating infrastructure leads to health risks, environmental degradation, and reduced quality of life. Without urgent upgrades, existing urban communities will continue to face degraded living conditions, and the resilience of Iraq's housing stock will be undermined.

**Recommendations:** This intervention aims to rehabilitate and upgrade urban infrastructure in existing cities through a coordinated national programme that integrates service delivery improvement with local job creation.

- **Launch a National Urban Infrastructure Rehabilitation Programme:** The programme will focus on restoring and upgrading basic infrastructure in high-density and underserved neighbourhoods. Projects will be selected in coordination with relevant ministries and local authorities, ensuring alignment with housing and urban planning priorities. Projects should be sequenced and coordinated among utilities to avoid duplication (for example, coordinating road repaving with installation of underground pipes following completion of water and sanitation works).
- **Implement a Public Works Programme for Infrastructure Delivery:** A public works programme will accelerate infrastructure upgrades while creating short- to medium-term employment opportunities. Projects could include upgrading secondary road networks, expanding sewer and drainage systems, and preparing residential land for servicing. Labour-intensive methods will be prioritised, and the programme will include training and skill-building elements to strengthen local construction and maintenance capacity. Projects will be implemented in partnership with municipalities, local contractors, and community-based organizations, and adhere to National Labour Law 37 of (2015), the Social Security Law 18 of (2023) and appropriate occupational safety and health (OSH) standards, with safety training and site supervision integrated into implementation, labour inspection and compliance to ensure safe and dignified working conditions for all participants. This may also include adoption of employment targets (e.g. (30 per cent) of infrastructure labour force drawn from vulnerable households).
- **Introduce Modernisation Measures:** Where feasible, infrastructure upgrades will incorporate modern technologies such as smart metering for utilities, energy-efficient technologies, and pressure management in water networks. These upgrades will improve service quality, reduce losses, and extend the lifespan of infrastructure systems.
- **Promote Green Infrastructure Development in Residential Areas:** Infrastructure improvements will also support the integration of green infrastructure to enhance environmental quality and climate resilience. This includes expanding urban green spaces, planting street trees, rehabilitating degraded open areas, and promoting nature-based solutions to improve air quality, manage stormwater, and support local biodiversity. Projects will be designed in coordination with municipal planning departments, in line with Iraq's broader environmental and climate commitments.

**Justification:** Rehabilitating infrastructure in existing urban areas is a cost-effective strategy that delivers immediate and visible benefits. It enhances public health and safety, protects the value of housing stock, and improves quality of life. Prioritising upgrades in urbanized areas maximises land use efficiency, supports compact city development, and mitigates unplanned urban expansion. The public works component ensures inclusive economic impact by generating jobs, particularly for youth and underemployed groups, while building community resilience and fostering a sense of ownership over local development. These efforts will also improve public trust in government services and contribute to more sustainable urban development.

## Policy 4.3: Extend Basic Infrastructure Services to Informal and Peri-Urban Areas to Achieve Inclusive Coverage.

### Sub-Pillar: Servicing Informal/Unplanned Areas

**Issue:** Rapid urbanisation and a persistent shortage of affordable, serviced land have contributed to the proliferation of informal settlements around Iraqi cities. These areas often lack connection to formal infrastructure systems, resulting in inadequate access to safe water, sanitation, electricity, and waste services. Residents rely on unsafe alternatives such as trucked water, pit latrines, and informal power connections, leading to poor living conditions and public health risks. These gaps reinforce spatial inequality, strain urban infrastructure, and hinder effective utility management. As regularisation of these areas advances, there is a growing need to connect these communities to formal infrastructure in a structured, inclusive manner.

**Recommendations:** This intervention will establish a dedicated national upgrading and service-extension programme to connect informal and peri-urban areas to essential urban infrastructure. It will also include a reassessment of the Service and Engineering Team's experience in developing serviced areas, in order to draw lessons and strengthen programme design. The components of this intervention include:

- **Launch a National Informal Settlement Upgrading Programme:** Enact governmental decisions to organize informal settlements to enable systematic regularisation and upgrading of these areas.[29] The settlements will be identified and prioritised based on criteria such as tenure status, population density, and development potential. Development efforts will be supported through local plans, comprehensive planning standards, and essential land rehabilitation tools to enable infrastructure establishment, while effective measures will be taken to prevent unnecessary displacement.
- **Extend Infrastructure and Community Services:** Coordinate with utility providers and municipalities to deliver water, sanitation, electricity and roads to informal areas. Upgrades will include access to street lighting, stormwater drainage, and community facilities such as waste collection points and public spaces.
- **Implement a Public Works Programme for Settlement Upgrading[30]:** Integrate labour-intensive infrastructure works in informal areas into the national public works framework, prioritising decent work and employment generation, especially for persons with disabilities, youth and women. Community involvement in planning and through local hiring practices in implementation could strengthen accountability and promote local ownership.

[29] The Council of Ministers issued Decision No. (20) of 2025 concerning the regulation of residential encroachments on municipally owned land and formally allocated plots, allowing the transfer of ownership to occupants who have constructed residential buildings.

[30] Public Works Programs: One of the projects implemented under the umbrella of the Building an Inclusive and Just Transition (BEIT) project, funded by the European Union in Iraq through the International Labour Organization (ILO).

**Justification:** Upgrading informal settlements is critical to reducing inequality, enhancing urban resilience, and improving quality of life for vulnerable populations. Providing infrastructure in these areas improves health outcomes, expands economic opportunity, and helps integrate marginalised communities into the formal city. Upgrades also reduce losses from illegal connections and enable utility cost recovery over time. By coupling infrastructure delivery with job creation, the programme strengthens local capacity and supports inclusive urban development. These efforts align with Iraq's National Development Plan and the anticipated enactment of the legal framework for settlement regularisation, advancing both spatial equity and environmental sustainability.

## **Policy 4.4: Enhance Coordination and Sustainable Financing for Urban Infrastructure Service Delivery.**

### **Sub-Pillar: Sustainable Service Delivery**

**Issue:** Infrastructure challenges in Iraq are not limited to physical networks, but also stem from weak coordination, fragmented service delivery, and unsustainable financing models. Multiple ministries and utility agencies often work in silos, leading to duplicated efforts, delays, and inconsistent service provision. Municipalities may approve new housing areas without aligned plans or budgets from national utilities, resulting in infrastructure shortages. At the same time, utilities suffer from low revenue due to subsidised tariffs, poor cost recovery, and limited billing enforcement. Maintenance is frequently neglected, and private sector involvement is minimal due to regulatory uncertainty and perceived risks.

Government support for providing infrastructure services over several decades has obscured the high costs of infrastructure from citizens, leading to excessive use, illegal network connections, and non-payment of bills, undermining both the efficiency of infrastructure performance and the sustainability of service providers.

**Recommendations:** This intervention aims to strengthen institutional coordination and improve the financial sustainability of infrastructure services through governance reform, investment planning, and public engagement, including:

- **Strengthen Institutional Coordination:** Establish a national infrastructure coordination committee under the Prime Minister's Office or the National Housing Council and Urban Development. This body will align sectoral plans across ministries (e.g. MOCHPM, Ministry of Electricity, Ministry of Water Resources, and public service departments in the concerned governorates) and ensure integration with housing and urban development priorities. Local coordination mechanisms will also be strengthened by requiring joint utility clearances for all new housing or infrastructure projects to ensure sequencing and minimise inefficiencies.
- **Promote Sustainable Infrastructure Financing:** Develop land-based financing mechanisms such as property taxes, developer contributions, and betterment levies to fund infrastructure linked to housing. Establish a dedicated national housing infrastructure fund that pools revenues from these financing tools into a dedicated funding stream, safeguarding infrastructure investment from federal budget cuts, reallocation, or annual funding fluctuations.



- **Introduce Performance-Based Infrastructure Grants:** Provide municipalities with upfront seed financing, revolving credit facilities, or short-term bridge funding options to initiate infrastructure projects. Central government grants will reimburse municipalities upon verified completion of infrastructure targets, incentivising municipalities to deliver timely and effective services while reducing initial financing constraints.
- **Support Cost Recovery with Equity:** Introduce gradual reforms for socially responsible billing, targeting support for low-income groups. Implement improvements in metering and billing systems to reduce losses and increase revenues. Ensure that public service providers are allowed to reinvest a portion of revenues into service enhancement and maintenance.
- **Engage the Private Sector:** Pilot public-private partnerships (PPPs) in selected service areas such as solid waste, water distribution, or electricity management. These partnerships will be governed by transparent contracts focusing on performance, affordability, and service quality.
- **Raise Public and Environmental Awareness:** Launch national campaigns on water and energy conservation, waste reduction, and the value of paying for services. Use schools, community groups, and media to promote shared responsibility for infrastructure sustainability. Pair awareness with community-led monitoring to build trust and ensure accountability.

**Justification:** Improving infrastructure service delivery requires more than building new systems; it demands institutional coordination, sustainable financing, and public trust. A whole-of-government approach that aligns planning and budgeting across sectors can avoid costly redundancies and delays. At the same time, utilities must be financially viable to maintain and expand services. Introducing equitable cost recovery measures and land-based finance tools will enable municipalities and service providers to meet growing infrastructure needs without over-reliance on donor funding. Public-private partnerships, when appropriately regulated, can improve efficiency and expand coverage. Lastly, empowering residents with knowledge and shared responsibility will ensure infrastructure systems are better used, maintained, and respected. Together, these measures lay the foundation for more resilient and sustainable infrastructure systems.

## Infrastructure Monitoring & Evaluation Indicators

**Focus:** Providing infrastructure services to new housing developments and housing complexes, ensuring connectivity and sustainability. Key indicators include:

**Table 7: Infrastructure Monitoring and Evaluation Indicators**

| No | Indicator                                                                                                                                    | Data Source                                                                                                                           | Indicator Unit                                                                          | Time Period               |
|----|----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------|
| 1  | People served by infrastructure in the New Cities Project                                                                                    | <ul style="list-style-type: none"> <li>Concerned Municipality</li> <li>New-Cities Implementation Commission.</li> </ul>               | <ul style="list-style-type: none"> <li>Number of persons</li> </ul>                     | Annual census (2025-2030) |
| 2  | Housing units equipped with infrastructure services in the New Cities Project                                                                | <ul style="list-style-type: none"> <li>Directorate of Water</li> <li>Directorate of Sewage</li> </ul>                                 | <ul style="list-style-type: none"> <li>Number of residential units</li> </ul>           |                           |
| 3  | People served by infrastructure in areas that were previously unserved                                                                       | <ul style="list-style-type: none"> <li>Concerned Municipality</li> <li>Directorate of Water</li> <li>Directorate of Sewage</li> </ul> | <ul style="list-style-type: none"> <li>Number of persons</li> </ul>                     |                           |
| 4  | Investment in non-residential facilities within the new cities project (capital invested in markets, malls, schools, etc. in the new cities) | <ul style="list-style-type: none"> <li>National Investment Commission</li> <li>Investment Commissions in the Governorates</li> </ul>  | <ul style="list-style-type: none"> <li>Funds Invested</li> </ul>                        | Annual census (2025-2030) |
| 5  | Job opportunities generated through the development of housing infrastructure                                                                | <ul style="list-style-type: none"> <li>Project Contractor Reports Labour Surveys</li> </ul>                                           | <ul style="list-style-type: none"> <li>Number of working persons</li> </ul>             |                           |
| 6  | Cost recovery from infrastructure services (utility fees and tariffs in new housing projects)                                                | <ul style="list-style-type: none"> <li>Concerned municipality</li> </ul>                                                              | <ul style="list-style-type: none"> <li>Percentage</li> <li>Refundable amount</li> </ul> |                           |
| 7  | New housing units equipped with clean (solar) energy                                                                                         | <ul style="list-style-type: none"> <li>Building Permits</li> <li>Ministry of Electricity</li> </ul>                                   | <ul style="list-style-type: none"> <li>Number of residential units</li> </ul>           |                           |

## 5. Housing Management and Maintenance

Housing management and maintenance policy interventions aim to establish a structured approach to preserving Iraq's existing housing stock and promoting energy efficiency through targeted retrofits. This includes a legal and institutional framework for Housing Management Associations (HMAs) in multi-unit buildings, mandatory inspection and preventive maintenance urgent programs, and the creation of a national fund to finance essential repairs and upgrades. In addition to improving habitability and extending the lifespan of homes, retrofitting reduces energy consumption and environmental impact. It also stimulates demand for skilled labour, construction services, and energy-efficient materials, helping to create jobs and build a local retrofit economy.

### **Policy 5.1: Prepare and Enforce Legislation Mandating the Establishment of Housing Management Associations (HMAs) in All Multi-Unit Residential Buildings.**

#### **Sub-Pillar: Create regulations for the management and maintenance of residential complexes**

**Issue:** A major challenge in Iraq is the lack of formal management structures for maintenance of multi-unit residential buildings, resulting in widespread deterioration of the housing stock, poor maintenance practices, and unsafe living conditions. The Cooperative Societies Law No. (149 of 1980) governed the management of residential complexes until it was repealed in 1985 by RCC Decision No. (1224). The law was not replaced however, creating a legal void which has contributed to unmanaged buildings, declining property values, increased public expenditure on emergency repairs, and disputes among residents. In complexes where private investors provide maintenance, there is no law or regulation over charges levied on residents, nor are there standards for service levels. Furthermore, there is little awareness among citizens regarding their collective responsibilities for managing shared residential spaces.

**Recommendations:** This intervention will establish a legal and institutional framework for Housing Management & Maintenance Associations (HMAs) to ensure long-term building maintenance and safeguard housing quality.

- **Re-enactment of the Cooperative Law to Establish HMAs:** Support MOCHPM, together with the entities responsible for managing service facilities, to advance legislation mandating the formation of Housing Management Associations (HMAs) in all multi-unit residential buildings. These associations will be legally recognised entities responsible for managing shared spaces and common services in the residential building. Amanat Baghdad will monitor the Municipalities and service entities the HMA compliance with the regulation and provide enforcement through powers provided by the new regulation.
- **Standardise By-Laws and Municipal Oversight:** Require HMA's to adopt by-laws covering maintenance obligations, fee collection, voting rules, and dispute resolution. These will align with national templates issued by MOCHPM and be registered with the relevant municipality. Municipalities will also provide technical support and serve as supervisory bodies.

- **Provide Financial and Technical Support:** Offer start-up grants or subsidised loans to support the initial establishment of HMAs. Training programmes will be offered to build awareness among residents and support HMA leadership in fulfilling their responsibilities.

**Justification:** Establishing formal HMAs is critical to ensuring the long-term sustainability, safety, and quality of the housing stock. International experience shows that empowered associations with clear rules and regulatory backing can extend building lifespans, reduce public repair burdens, and maintain property values. Establishing clear by-laws, maintenance responsibilities, and oversight mechanisms for building management can create a more transparent and accountable system, enabling residents to manage shared properties more effectively and fairly. The combination of legal authority, local government support, and financial incentives will accelerate adoption and foster a culture of collective maintenance responsibility across the housing sector, applying the principles of partnership between public and private sectors.

## **Policy 5.2: Implement a National Regulatory Framework Mandating Regular Inspection and Preventive Maintenance Programs for All Residential Buildings.**

### **Sub-Pillar: Create regulatory guidance including approved maintenance standards for the management and maintenance of residential complexes**

**Issue:** In Iraq, the absence of mandated inspection and maintenance rules has contributed to the progressive deterioration of residential buildings, with many structures falling into disrepair due to neglect of basic upkeep. Without a regulatory framework defining inspection frequency, habitability standards, or enforcement mechanisms, most property owners rely on reactive repairs rather than systematic preventive maintenance. This approach increases long-term repair costs, compromises structural integrity, and elevates health and safety risks for residents. The lack of minimum habitability benchmarks also leaves authorities without clear tools to enforce quality standards or intervene before conditions become critical.

**Recommendations:** This intervention will establish a national system for regular building inspections and preventive maintenance in multi-unit and high-density residential developments.

- **Mandate Regular Inspections:** Require responsible government entities to conduct scheduled inspections of residential buildings based on age and typology. Standard guidelines will be developed to ensure inspections cover structural safety, sanitation, utility systems, and other critical infrastructure components.
- **Adopt a Phased Rollout with Capacity Building:** Initiate phased approach to roll out the inspection programme, beginning with pilot implementation in selected municipalities and prioritising high-risk areas and older structures. Capacity building support will train staff in responsible government entities to standardise procedures, and equip inspection teams for effective and consistent enforcement.



- **Define Minimum Habitability Standards:** Develop national regulations that establish a core set of criteria for residential safety and liveability, including requirements for structural soundness, fire safety, sanitation, and ventilation.
- **Strengthen Oversight and Enforcement:** Require building owners and Housing Management & Maintenance Associations (HMAS) to maintain inspection and maintenance logs, subject to municipal audit. Penalties for non-compliance will be introduced, ranging from warnings and fines to temporary occupancy restrictions in severe cases.
- **Raising Awareness and Educating Residents:** Launch awareness programmes that cover the foundations and principles of housing maintenance; the importance of sustainability; preserving and maintaining public parks and green areas; rationalising energy consumption; health and safety; and how to act in emergency situations. Community activities will also be encouraged, including the formation of resident committees to monitor the cleanliness and maintenance of residential complexes. Together, these efforts reinforce the principle of partnership between the public and private sectors.

**Justification:** Preventive maintenance and regular inspections are widely recognised as cost-effective measures to safeguard buildings and protect residents. International experience has demonstrated the long-term value of such programmes in maintaining housing quality and avoiding large-scale rehabilitation costs. These interventions will provide the necessary regulatory tools for municipalities to enforce safety and maintenance standards, ensuring that housing stock remains habitable and structurally sound. It will also support the role of institutions responsible for housing by giving them a defined operational framework, while enabling local authorities to monitor and intervene more effectively. This shift from reactive to proactive maintenance will protect both residents and national investments in housing.

## **Policy 5.3: Establish a National Fund for Residential Building Management & Maintenance.**

### **Sub-Pillar: Facilitating Improved Maintenance Practices**

**Issue:** A key driver of housing deterioration in Iraq is the absence of affordable, accessible financial mechanisms to support preventive maintenance and necessary renovations. Many multi-unit residential buildings face chronic underinvestment in upkeep. Without reliable funding options, critical repairs are deferred, resulting in unsafe living conditions, declining property values, and increased pressure on public emergency services. Despite the lower cost of maintaining existing housing compared to new construction, Iraq lacks a dedicated national mechanism to finance essential repair and rehabilitation efforts.

Further, the absence of incentives for improving energy performance further compounds deterioration, as most existing homes rely on inefficient appliances and systems that strain both household budgets and the national power grid. Integrating energy efficiency into renovation efforts would reduce energy cost burden, improve thermal comfort, and support climate change mitigation. This highlights the need for a housing retrofit programme that includes targeted incentives for installing energy-efficient appliances and systems, coupled with raising public awareness.

**Recommendations:** This intervention establishes a national financial instrument to safeguard and extend the lifespan of existing residential buildings.

- **Launch a National Maintenance and Renovation Fund:** MOCHPM, in coordination with the Ministry of Finance and financial institutions, will create a dedicated fund offering low-interest loans and targeted grants for maintenance and renovation projects. Support will prioritise essential safety upgrades (e.g. structural stabilisation, fire safety, and water/sanitation systems), as well as energy efficiency retrofits. The fund will target registered HMAs, rental housing in vulnerable areas, and historic or culturally significant residential sites. Partnerships with private lenders will be incentivised to increase available capital and improve delivery at scale.
- **Promote Energy Retrofitting in Existing Housing Stock:** Introduce targeted incentives to improve energy performance in existing residential buildings, including subsidies or low-interest loans for installing efficient appliances, lighting, and thermal insulation. In parallel, MoE with the support of the COSQC to establish a national energy rating and labelling system for appliances and home equipment to guide consumer choices and ensure alignment with efficiency targets coupled with public awareness activities.
- **Promote Community-Based Climate Adaptation:** Enhance local capacity to build and retrofit homes with climate-adaptive designs and materials suited to Iraq's environmental conditions. This may include technical training, demonstration projects, and public awareness initiatives to promote passive cooling, flood resilience, and other low-cost, locally appropriate adaptation measures. Partnerships with municipalities, NGOs, and technical institutes will help ensure that climate resilience is integrated into household- and community-led renovation efforts.

**Justification:** Preserving the existing housing stock through timely maintenance and renovation is one of the most cost-effective strategies to address Iraq's housing challenges. Dedicated financial support will enable proactive upkeep, reduce reliance on public spending, and improve safety and habitability in existing buildings. Targeted renovation funds can improve quality of life while protecting public investment. By institutionalising a national financing mechanism, Iraq can extend the durability of its housing assets, enhance the value of neighbourhoods, and support climate resilience goals through energy-efficient retrofits. Furthermore, introducing a targeted energy retrofit programme, will reduce energy demand in the housing sector and in turn, lower household utility costs, ease pressure on the national power grid, and support climate resilience goals.

## Policy 5.4: Preserve the Rental Housing Stock.

### Sub-Pillar: Facilitating Improved Maintenance Practices

**Issue:** Iraq's rental sector plays a vital role in housing low- and middle-income households, yet it remains poorly regulated, and under strain. Most rental housing is privately owned and concentrated in urban areas, with a significant share falling into substandard categories. Many residential rental units, suffer from poor habitability, lack regular maintenance, secure tenure, or legal oversight. Meanwhile, public rental housing represents less than 10 per cent of the overall housing stock and is poorly targeted, with higher-income public sector employees often occupying subsidised units. With rising rents, weak tenant protections, and limited new rental development, the sector increasingly fails to meet growing demand, especially among young people, urban migrants, and vulnerable groups including IDPs. Therefore, a coordinated strategy to preserve and improve Iraq's rental housing is needed.

**Recommendations:** This intervention aims to preserve multi-family buildings and expand the rental housing sector through a targeted programme of public provision, rehabilitation, and support for alternative delivery models.

- **Preserve Existing Public Housing and Encourage the Establishment of New Residential Rental Complexes:** Rehabilitate and expand the housing stock of publicly owned rental units through a coordinated national programme. Realign the selection of housing recipients based on transparent eligibility criteria that prioritise low-income and vulnerable groups. Housing Directorates in the governorates will also be tasked with expanding new social rental housing projects alongside preservation efforts, ensuring affordable rents and adequate quality standards. Priority will be given to serviceable units designed to meet the needs of female-headed households, persons with special needs, older persons and other identified vulnerable groups.
- **Support Affordable Rental Housing Initiatives:** Promote the development of affordable rental units by facilitating nonprofit, cooperative, or community-based models. The government can provide land, subsidies, or concessional financing to these entities in exchange for rental affordability commitments.
- **Introduce Rental Housing Rehabilitation Support:** Launch small-scale grants or loans to private landlords, particularly to those who abide by rent control and tenant stability clauses, to carry out safety or habitability upgrades. Prioritise support to building owners in older urban neighbourhoods and landlords renting to low-income families.
- **Establish Rental Voucher Programmes:** Introduce rental voucher programmes that provide direct subsidies to low-income households to support rental payments in the private market. These programmes make it easier for families to access decent housing by covering part of their monthly rent. Vouchers are typically paid directly to landlords, which helps ensure regular income, encourages property maintenance, and supports the use and stability of existing rental housing.

- **Promote Legal and Institutional Reform:** Complement these efforts with broader legal reforms to modernise tenancy law, establish dispute resolution mechanisms, and register formal rental contracts.

**Justification:** A significant share of households, particularly lower-income and young households, depend on rental housing as a long-term solution or stepping stone to ownership. By investing in rental supply and rehabilitation, the government can preserve the existing housing stock, improve living conditions, and relieve pressure on the ownership market. Targeting public rental units to low-income groups ensures equitable access to state-supported housing, while support for cooperative and nonprofit models can increase affordability in a fiscally sustainable way. Preserving and upgrading existing private rentals, particularly in older, high-density urban neighbourhoods, will help stabilise communities, support social cohesion, and protect housing affordability in well-located areas. Finally, preserving existing rental stock through modest upgrade support is far more cost-effective than new construction. A robust rental strategy ensures the housing system remains inclusive and responsive to demographic and economic realities.

### **Housing Management & Maintenance Monitoring & Evaluation Indicators**

**Focus:** Establishing frameworks for managing and maintaining the housing stock, especially multi-unit complexes, via cooperative societies and regulations. Key indicators include:



**Table 8: Housing Management & Maintenance Monitoring and Evaluation Indicators**

| No | Indicator                                                                                                        | Data Source                                                                                                                                                       | Indicator Unit                                                                    | Time Period                                                                                                                                                                                              |
|----|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | A new law for housing cooperatives to regulate the management and maintenance of housing complexes.              | <ul style="list-style-type: none"><li>• Official Gazette</li><li>• Prime Ministerial Decisions</li></ul>                                                          | <ul style="list-style-type: none"><li>• Issuing a law or instructions</li></ul>   | <ul style="list-style-type: none"><li>• Once</li><li>• Expected by (2026) approximately</li></ul>                                                                                                        |
| 2  | Housing cooperatives formed to manage and maintain housing complexes (public, private, and investment projects). | <ul style="list-style-type: none"><li>• Cooperative Registration Records</li></ul>                                                                                | <ul style="list-style-type: none"><li>• Number of associations</li></ul>          | <ul style="list-style-type: none"><li>• Cumulative Annual Recurrence</li><li>• (2025-2030)</li></ul>                                                                                                     |
| 3  | Housing complexes with maintenance plans (e.g., supervised by housing cooperatives or management bodies).        | <ul style="list-style-type: none"><li>• Housing Directorates</li><li>• Cooperative Societies</li></ul>                                                            | <ul style="list-style-type: none"><li>• Number of residential complexes</li></ul> | <ul style="list-style-type: none"><li>• Annual Recurrence</li><li>• (2025-2030)</li><li>• (This reflects implementing maintenance guidelines and residents' participation in maintenance work)</li></ul> |
| 4  | Workers trained in green building techniques (for maintenance).                                                  | <ul style="list-style-type: none"><li>• Ministry of Labour and Social Affairs</li><li>• Housing Directorates</li><li>• Accredited Training Institutions</li></ul> | <ul style="list-style-type: none"><li>• Number of trained workers</li></ul>       | <ul style="list-style-type: none"><li>• Annual Recurrence</li><li>• (2025-2030)</li></ul>                                                                                                                |
| 5  | Residential units that have been energy-efficiently renovated.                                                   | <ul style="list-style-type: none"><li>• Housing Directorates</li><li>• Project Records</li></ul>                                                                  | <ul style="list-style-type: none"><li>• Number of residential units</li></ul>     |                                                                                                                                                                                                          |
| 6  | Residential units designated for rental and owned by the state (that have been rehabilitated).                   |                                                                                                                                                                   |                                                                                   |                                                                                                                                                                                                          |

## 6. Housing Building Materials

The policy interventions on housing building materials aim to revitalise prefabricated factories, boost domestic production, strengthen quality control, and encourage the adoption of sustainable materials. By introducing financial incentives, public-private partnerships, and research collaboration, the interventions aim to reduce import dependency, lower environmental impact, and enhance housing affordability. Modernising material production will support faster, greener construction, create industrial jobs, and increase resilience in the face of climate and economic challenges. These interventions align with Iraq's National Development Plan and position the housing sector as a driver of innovation and sustainability.

### **Policy 6.1:** Rehabilitate and modernise prefabricated building factories under the MOCHPM and support similar upgrades in the private sector.

#### **Sub-Pillar: Rehabilitate Public and Private Prefabricated Building Factories**

**Issue:** Many of Iraq's prefabricated building component factories, both public and private, are currently underperforming due to outdated machinery, past damage, and prolonged underinvestment. As a result, production volumes remain low, and the housing sector continues to rely on traditional on-site construction methods. This slows housing delivery, limits the uptake of modern construction practices, and stymies Iraq from realising the environmental and cost advantages of prefabricated solutions. Prefabrication reduces material waste, optimises energy use during off-site manufacturing, and cuts emissions through more efficient logistics and faster build times, and ultimately lowers construction costs, making housing more affordable. Additionally, revitalising this sector offers important opportunities for job creation and the development of modern construction skills.

**Recommendations:** This intervention will revitalise Iraq's prefabricated construction factories to support faster, and more cost-effective housing delivery.

- **Assess and Rehabilitate Existing Facilities:** The MOCHPM, in coordination with the MOIM and relevant financial institutions, will conduct a technical audit of public prefabrication factories to assess their capacity and investment needs. Based on findings, a rehabilitation plan will be developed to modernise production lines, improve plant safety, and retool factories to produce high-quality housing units such as precast panels and structural elements.
- **Encourage Investment to Rehabilitate Prefabricated Building Factories:** The government will facilitate the rehabilitation of underperforming public and private prefabricated housing factories through public-private investment. MOCHPM and MOIM will lead efforts to attract private partners via co-investment agreements, soft loans, or tax incentives. For state-owned facilities, joint ventures will be explored to modernise production lines, upgrade management systems, and improve efficiency, either under continued public oversight or with eventual transfer to private ownership.

- **Align prefabricated housing production with targeted housing programmes:** Revitalised prefabrication factories will be linked to public housing initiatives, especially those focused on affordable or large-scale housing, ensuring demand certainty and supply integration. Factory outputs will be standardised to meet national housing specifications and climate performance goals.

**Justification:** Reviving Iraq's prefabrication capacity will accelerate the construction of housing units, reduce environmental impact, and stimulate job creation and industrial productivity. Modern production lines will enable the cost-effective manufacturing of high-quality housing components suited for mass housing developments, which aligns with the National Development Plan 2024-2028 emphasis on modern building technologies. Rehabilitated factories could quickly supply standardised components for thousands of homes, including low-cost units for vulnerable groups. By building local prefabrication capacity, Iraq can also reduce its dependence on imported materials, promote industrial upgrading, and improve environmental outcomes in the housing sector.

## **Policy 6.2: Expand and diversify domestic production of building materials.**

### **Sub-Pillar: Incentivise Local Production**

**Issue:** Iraq's construction sector is highly reliant on imported building materials, including steel, insulation, and finishing products to meet its growing demand. While this reliance has ensured access to a wide range of quality products it has also exposed the housing sector to global supply chain disruptions, currency fluctuations, and shifting international prices.

In response to the rapidly growing demand for housing materials, Iraq will develop a strategy to ensure continuous supply of cost-effective high-quality inputs by promoting domestic production of key sectors and facilitating trade/imports of others.

**Recommendations:** This intervention will diversify the local production of building materials in the Iraqi market, as follows:

- **Develop a Comprehensive Strategy to Develop Building Materials:** Conduct market and resource assessments to identify locally competitive building materials and determine which inputs should be sourced through imports, ensuring alignment with Iraq's broader industrial and housing goals.
- **Support Investment and Partnerships for Industrial Upgrading:** Increase domestic production in the identified priority sectors through transparent, WTO-consistent incentives such as tax relief, concessional financing, access to serviced industrial zones, and public-private partnerships. International firms are encouraged to participate through joint ventures and local sourcing initiatives. In order to facilitate imports, Iraq will continue to support a liberalised import regime that ensures access to high-quality and competitively priced materials from global markets.

- **Encourage Low-Carbon Manufacturing:** Encourage adoption of energy-efficient and low-emission production technologies to align with national environmental targets through policy measures such as trade and investments.
- **Preparing technical specifications and accreditation systems:** Introduce and enforce technical standards and certification systems that align with international norms and WTO Technical Barriers to Trade (TBT) agreements. These will ensure product quality and safety while facilitating fair competition between domestic and imported goods.

**Justification:** By selectively developing local production where Iraq has a competitive edge—while maintaining an open, rules-based trading environment, the country can strengthen its construction supply chain, improve affordability, and support long-term economic transformation. This policy is aligned with Iraq’s commitments under the National Development Plan, future WTO obligations, and the Paris Agreement, and invites global partners to participate in Iraq’s evolving industrial landscape.

## **Policy 6.3: Enhance the capacity to monitor the building materials quality**

### **Sub-Pillar: Review of Quality Control Standards**

**Issue:** Iraq’s construction material sector faces ongoing challenges in maintaining consistent quality, partly due to outdated standards, limited enforcement capacity, and fragmented oversight. Both domestic and imported materials often do not meet international benchmarks, affecting safety, durability, and public confidence in housing construction. Systems for inspecting, certifying, and approving materials require strengthening, as implementation is inconsistent and resources are limited. Clear processes for approving innovative and sustainable materials are also lacking, while substandard products sometimes enter the market due to enforcement gaps. Additionally, building inspections and code compliance vary significantly across regions.

Additionally, insufficient oversight in material supply chains contributes to unsafe labour practices, including child labour; an issue that remains a concern for Iraq’s housing and labour sectors. Strengthening inspection systems can support broader labour protections and ensure that housing construction aligns with national commitments on decent work and in accordance with labour laws. Addressing these issues will enhance public safety and strengthen the reliability of housing construction nationwide.

**Recommendations:** This intervention will modernise Iraq’s material quality control system through comprehensive reform of standards, enforcement, and institutional capacity. Components include:



- **Update and Enforce Material Standards:** Facilitate the formation of a national review committee, led by Central Organization for Standardization and Quality Control (COSQC), MOIM, and MOCHPM in coordination with the National Centre for Construction Laboratories (NCCL) and the Building Directorate, to update Iraq's construction material standards to align with international benchmarks for structural strength, durability, and environmental performance. All materials, including imports, will require formal certification before use. Enforcement will include factory licensing, mandatory certificates of conformity, and spot-checks at construction sites.
- **Strengthen Inspection and Certification Infrastructure:** Direct support is required for the NCCL and COSQC to expand testing facilities, train inspectors, and improve certification systems. A new Construction Materials Quality Bureau will be considered to lead randomised product testing, issue performance reports, and provide technical assistance to local producers seeking compliance. Training and support will help smaller manufacturers meet the revised standards.
- **Adopt and Enforce a Unified National Building Code:** Accelerate the work of the Iraqi Construction Council to finalise and implement a modern, nation-wide building code that sets clear standards for structural safety, fire prevention, and disaster resilience. The code should apply to all buildings and governorates without exception, supported by enforcement mechanisms, trained personnel, and updated technical specifications.

**Justification:** Enforcing high-quality standards is vital to improving safety, durability, and confidence in Iraq's built environment. Ensuring that only certified materials enter the market protects residents and reduces long-term repair costs. Robust quality control also supports industrial development; local producers will become more competitive when held to reliable standards. Improved oversight can also contribute to better labour practices in the construction supply chain, including efforts to reduce child labour in sectors such as brick manufacturing. By linking material quality with clear performance benchmarks helps ensure safer, more durable housing.

## **Policy 6.4: Introduce incentives to encourage sustainable and modern building materials.**

### **Sub-Pillar: Encourage Adoption of Sustainable Materials**

**Issue:** The construction sector in Iraq has been slow to adopt sustainable building materials and technologies. Most new housing still use traditional concrete, brick, asphalt and other typical building materials with minimal use of energy-saving materials like thermal insulation or renewable energy features. This conventional approach results in housing that is energy-inefficient, with high cooling and heating demands, and high carbon footprint construction. In the absence of incentives or regulatory requirements, developers have little motivation to experiment with greener materials or innovative building techniques such as recycled construction materials, low-carbon cement alternatives, or solar-integrated designs. As one of the largest resource-consuming and polluting industries in Iraq, the construction sector is ill-equipped to reduce its ecological footprint or adapt to the growing challenges posed by climate change.

**Recommendations:** This intervention aims to transition Iraq's construction sector toward sustainability through fiscal, regulatory, and market-based incentives that support the adoption of green materials and technologies. The components of this intervention include:

- **Provide Support and Incentives for Green Materials:** Offer tax credits or allowances to companies that produce or import environmentally friendly construction materials. Streamline customs and approval processes for importing advanced sustainable materials not yet manufactured locally, with a defined timeline to encourage eventual local production.
- **Introduce Developer Incentives for Green Building:** Provide incentives for housing developers that integrate certified green technologies, such as thermal insulation, solar water heaters, and water-saving systems through mechanisms such as fast-tracked approvals or access to targeted financing.
- **Phase-In Green Building Codes and Standards:** Iraq's Green Architecture Code[31] issued in 2020, outlines voluntary standards for energy efficiency, water conservation, and environmentally responsible construction through a points-based certification process. The government will promote awareness of the code and encourage adoption through pilot projects, particularly in projects that receive public support or are developed in collaboration with private developers. Implementation support will include permitting integration, municipal training, and technical guidance issued by MOCHPW and COSQC/Ministry of Planning, with the aim of gradually mainstreaming green standards across the housing sector.
- **Create Green Housing Innovation Fund:** A dedicated fund will support pilot projects that demonstrate the feasibility and benefits of sustainable construction. These models will be used to inform regulatory development and scale adoption across public and private sectors.

**Justification:** Introducing market-aligned incentives will shift Iraq's construction sector toward greener, more climate-resilient practices without imposing abrupt mandates. The National Development Plan prioritises modern building materials tailored to Iraq's environmental needs, particularly energy-efficient and thermally adaptive designs. Incentives will help build a competitive market for sustainable materials, reduce long-term emissions, and improve energy efficiency in housing. These efforts also position Iraq to attract international climate finance, while signalling a clear commitment to environmental stewardship in the built environment.

[31] issued as part of the Iraqi Building Codes and Specifications series, in collaboration with the Buildings Department/Ministry of Construction, Housing and Public Municipalities and the Central Organization for Standardization and Quality Control/Ministry of Planning, the code aims to promote sustainability concepts in design and construction, and to provide a framework of reference for workers in the construction sector.

## **Policy 6.5:** Establish research and development partnerships for housing sector and building materials.

### **Sub-Pillar: Facilitate Applied Research Leading to Greater Use of Sustainable Materials, Technology and Practices**

**Issue:** The connection between research institutions and the housing sector in Iraq remains weak, limiting the application of innovative, cost-effective, and climate-adaptive construction practices. While universities and technical institutes conduct research on construction materials and methods, these insights rarely influence industry practice. The National Centre for Construction Laboratories[32] (NCCL) conducts a range of studies; however, many have not been fully implemented due to limited financial allocations for testing. Although the NCCL is mandated to test and verify standards, it plays only a limited role in fostering applied research and innovation. As a result, Iraq's housing sector continues to rely on conventional building technologies ill-suited to its climate, affordability challenges, and disaster risks. Without dedicated research and development (R&D) efforts aligned with sector needs, the transition to sustainable, resilient, and efficient housing will remain slow.

**Recommendations:** This intervention will strengthen applied housing research by creating institutional platforms for innovation and linking them to market and public policy priorities.

- **Establish Housing Innovation Hubs:** Encourage MOCHPM, in partnership with universities, research and technical institutes, the NCCL, the Construction Research Directorate to create research hubs dedicated to developing and testing sustainable, low-cost construction materials and methods. These hubs will focus on areas such as climate-responsive design, renewable energy integration, and locally sourced, low-emission materials.
- **Promote Public-Private R&D Collaboration:** Incentivise collaboration between research institutions and private construction firms, developers, and material producers through co-financed research calls and pilot programmes. These partnerships will help ensure that innovations respond to real-world housing needs and are commercially scalable.
- **Facilitate International Technical Exchange:** Establish hubs as platforms for international cooperation, by testing pilot projects and supporting joint ventures with foreign research bodies and innovation funds, allowing Iraq to benefit from global advancements in sustainable construction.
- **Develop and Publish an Inventory of Green Building Materials:** Conduct a nationwide inventory of environmentally friendly construction and housing materials available in the Iraqi market, including insulation, low-emission paints, energy-efficient windows, and locally sourced alternatives. Make this information publicly accessible to support informed decision-making by homeowners, developers, and municipalities, and to encourage the uptake of sustainable materials in renovation and new construction projects.

[32] A formation of the Ministry of Construction & Housing

**Justification:** Investing in applied R&D will accelerate the localisation of cost-effective and climate-appropriate construction solutions. These may include low-carbon footprint prefabricated systems, insulation adapted for extreme heat, or energy-efficient building retrofits. The NDP prioritises innovation and industrial upgrading, and this intervention aligns with its goal of strengthening the research-to-implementation pipeline in key sectors. Facilitating Iraq's research ecosystem to contribute directly to housing outcomes will reduce costs, improve quality, and build resilience, while positioning Iraq to engage more effectively in international climate and technology partnerships.

## **Policy 6.6: Develop public-private partnerships to boost building material production and prefabricated housing manufacturing.**

### **Sub-Pillar: Incentivize Private Sector Contributions to Material Production**

**Issue:** Iraq's ability to meet its housing material demands is constrained by limited and uneven domestic production capacity. While state-owned factories remain major producers of cement, bricks, and prefabricated components, many suffer from obsolete equipment, underinvestment, and low productivity. Private sector participation remains weak, hampered by high capital requirements, fragmented industrial zoning, unreliable utility access, and the absence of dedicated incentives. Regulatory overlap, land access constraints, and limited financing options further deter investment in material manufacturing. As a result, Iraq relies heavily on imported materials, some of which are environmentally harmful or substandard. This dependency raises construction costs, exposes the sector to exchange rate fluctuations and global supply shocks, and undermines efforts to create a greener, more resilient housing sector. Without targeted public-private collaboration, the sector will continue to struggle to scale production at the pace needed to meet national housing targets.

**Recommendations:** This intervention will establish a sector-specific public-private partnership (PPP) model to strengthen local material production and prefabricated housing manufacturing.

- **Establish Industrial Incentives and Co-Investment Mechanisms:** The government will identify strategic industrial zones and offer long-term land leases, tax incentives, and concessional financing to attract private manufacturers. Co-investment schemes and risk-sharing tools will be developed for eligible material production projects, especially for prefabricated components and sustainable materials.
- **Rehabilitate State-Owned Factories through Joint Ventures:** MOCHPM and MOIM will facilitate PPPs to rehabilitate underperforming state-owned factories. These joint ventures will involve private sector investment in modernising production lines and management systems while maintaining public oversight or transferring to private ownership.
- **Expand Prefabrication for Housing Delivery:** In coordination with national housing programmes, public investments and co-financing tools will be used to scale the production of domestic prefabricated housing capacity. Projects will target cost-effective and climate-resilient components that support affordable housing construction



**Justification:** Expanding domestic production of building materials and prefabricated components is critical to reducing Iraq's reliance on imports, stabilising construction costs, and enabling large-scale housing delivery. A sector-specific investment model, combining public support with private capital and know-how, introducing competition and efficiency into material supply chains, while increasing the availability of standardised, affordable, and sustainable housing inputs. Fiscal incentives and transparent industrial planning will help de-risk private investment and channel it toward strategic gaps. This approach aligns with Iraq's National Development Plan priorities on economic diversification, green transition, and job creation.

## Building Materials Monitoring & Evaluation Indicators

**Focus:** Enhancing local building material production, promoting modern sustainable construction technologies, and improving quality control of materials. Key indicators include:

| Table 9: Building Materials Production Monitoring & Evaluation Indicators |                                                                                                                                                                  |                                                                                                                                                                                 |                                                                                                                          |                                            |
|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| No                                                                        | Indicator                                                                                                                                                        | Data Source                                                                                                                                                                     | Indicator Unit                                                                                                           | Time to Read the Indicator                 |
| 1                                                                         | Rehabilitated or modernise prefabricated building materials factories (public or private) to produce affordable housing components.                              | <ul style="list-style-type: none"> <li>Ministry of Construction, Housing, and Public Municipalities</li> <li>Ministry of Industry and Minerals</li> </ul>                       | <ul style="list-style-type: none"> <li>Number of factories</li> </ul>                                                    | Annual Recurrence (2025-2030)              |
| 2                                                                         | New construction materials laboratories and/or factories established by the private sector or within investment programmes (e.g., through tax incentive schemes) | <ul style="list-style-type: none"> <li>National Investment Commission</li> <li>Investment Commissions in the Governorates</li> <li>Ministry of Industry and Minerals</li> </ul> | <ul style="list-style-type: none"> <li>Number of laboratories</li> <li>Number of factories</li> </ul>                    |                                            |
| 3                                                                         | Research studies on innovative/green building materials used in housing projects (new studies or technologies adopted in practice)                               | <ul style="list-style-type: none"> <li>Ministry of Construction, Housing, and Public Municipalities</li> <li>Ministry of Higher Education and Scientific Research</li> </ul>    | <ul style="list-style-type: none"> <li>Number of studies</li> <li>Number of technologies</li> </ul>                      |                                            |
| 4                                                                         | Prefabricated construction plants that meet quality standards (qualified) after modernisation programmes                                                         | <ul style="list-style-type: none"> <li>Ministry of Construction, Housing, and Public Municipalities</li> <li>Ministry of Industry and Mineral</li> </ul>                        | <ul style="list-style-type: none"> <li>Number of qualified factories</li> <li>Number of newly built factories</li> </ul> | Accumulative Annual Recurrence (2025-2030) |



## Conclusion

The National Housing Policy provides a coherent framework to address Iraq's pressing housing challenges and to guide sector reform over the coming years. By laying out actionable recommendations across its six pillars, the policy establishes a foundation for more inclusive, affordable, and sustainable housing delivery. Importantly, it also provides the basis for an accompanying implementation strategy, to be finalised in consultation with government and partners. This strategy will set out the actions, responsibilities, and timelines needed to translate policy into tangible results, ensuring that the policy is not only aspirational but also practical. It will enable government, private sector, and development partners to coordinate efforts and monitor progress toward real improvements for Iraqi households.



Workers on a Social Housing Project in Ninewa Governorate – UN-Habitat, 2024.



# Implementation Framework and Strategy

## 2025-2030

The National Housing Policy (2025–2030) will adopt a multi-stakeholder approach to implementation involving government agencies, local authorities, private sector actors, and. Key implementation strategies include:

- **Policy Coherence:** Establishing inter-ministerial coordination mechanisms to ensure that housing initiatives complement national development, sustainability, and poverty reduction efforts.
- **Data-Driven Planning:** Utilising updated demographic and socioeconomic data to identify housing needs and prioritise interventions, ensuring that resources are allocated effectively and equitably.
- **Monitoring and Evaluation:** Developing robust monitoring frameworks to assess the impact of housing programmes and align them with the broader goals of the Vision for Sustainability (2030), the NDP in Iraq (2024-2028), and the Strategy for the Reduction of Poverty in Iraq (2026-2030).

The effective implementation of the Iraq National Housing Policy (2025–2030) will be underpinned by clearly defined roles and responsibilities, a comprehensive workplan, structured activities, a precise implementation timeframe, and robust monitoring and evaluation mechanisms (The document will be prepared separately, and the implementation mechanism will be developed after this stage).

## Roles and Responsibilities

Central responsibility for implementation rests with MOCHPM, which provides strategic oversight and policy direction. The MOCHPM will coordinate closely with other key ministries including the MOP, MOF, MOIM, MOT, MOE and MOJ, ensuring alignment with broader national development objectives.

Local governorates and municipal authorities execute on-the-ground implementation, managing local land allocations, housing projects, and infrastructure provisioning. The National Investment Commission (NIC) facilitates public-private partnerships and investor engagement. Inter-ministerial coordination is maintained through the General Secretariat of the Council of Ministers / Directorate of Government Coordination and Citizens' Affairs, responsible for strategic oversight, addressing inter-sectoral issues, and ensuring policy coherence and implementation across sectors.

## Workplan

The Implementation Strategy will outline a phased workplan for (2025–2030) structured around annual goals for each policy pillar, clearly sequenced to synchronise interdependent activities such as land servicing, housing construction, finance mobilisation, and infrastructure delivery. The plan will identify priority tasks, timelines, and coordination points, emphasising initial foundational actions, mid-term scaling, and consolidation of housing initiatives. This phased approach provides flexibility to address emerging challenges and ensures consistent progress across all policy pillars throughout the policy period.

## Activities

Core activities will encompass a wide range of coordinated interventions: comprehensive inventory and servicing of residential land; large-scale housing construction and completion of stalled projects; expansion of affordable and social housing programmes; enhancement of housing finance mechanisms (including mortgages, subsidised lending, and guarantee funds); infrastructure provision synchronised with housing development; establishment of a national housing management framework for ongoing maintenance; and strengthening the domestic supply chain for building materials. Cross-cutting tasks include developing regulatory reforms, legal amendments, and data-driven planning tools such as GIS-based cadastres and digital housing registries.

## Timeframe for Implementation

The strategy will set out a clear annualised implementation timeline spanning the five-year period, with specific milestones identified for each year. The initial phase (2025–2026) focuses on policy establishment, land allocation, early infrastructure investments, and institutional strengthening. The mid-term (2027–2028) emphasises scaling up construction, significantly expanding finance mechanisms, and integration of infrastructure provision. In the final stage (2029–2030), activities shift towards completion and consolidation, ensuring all initiated housing projects are delivered and sustainable management frameworks are fully operational.

## Monitoring and Evaluation

Robust monitoring and evaluation (M&E) frameworks will be established to track implementation progress systematically. Clear, measurable indicators are defined across all policy pillars, facilitating periodic assessment of land allocation efficiency, housing construction completion rates, housing finance accessibility, infrastructure service levels, maintenance effectiveness, and materials supply adequacy. Regular progress reports and annual reviews conducted by the MOCHMPW and the MOP ensure accountability, inform adaptive policy adjustments, and maintain alignment with broader national development targets. This structured M&E system ensures transparency, responsiveness, and sustained progress toward achieving Iraq's ambitious housing goals by 2030.



# Annex I: Alignment of National Housing Policy & National Development Frameworks

The National Housing Policy (2025 – 2030) for Iraq is a critical framework aimed at addressing the country's housing needs, enhancing urban planning, and improving living standards for all Iraqis. The policy's objectives are firmly aligned with the commitments and goals outlined in Iraq's broader policy directives, including the Iraq National Development Plan (NDP) (2024 - 2028), the Strategy for the Reduction of Poverty in Iraq (2026-2030), and the Vision for Sustainability 2030. This alignment ensures a cohesive approach to sustainable development, equitable housing, and poverty alleviation, while addressing the multidimensional challenges facing Iraq's housing sector.

## Alignment with the Iraq National Development Plan 2024-2028

The NDP 2024-2028 prioritises economic revitalisation, infrastructure development, and the creation of sustainable livelihoods. Housing plays a pivotal role in achieving these objectives, and the National Housing Policy 2024 complements the NDP through the following measures:

**1. Alleviating the housing deficit and improving the quality and sustainability of buildings:** The policy identifies the reduction in the housing deficit as the task of the MOCHMPW, under subprogram 33, along with maintaining environmental sustainability under subprogram 35.[33]

**2. Housing-Sustainability-Climate Resilience nexus:** The policy recognises the threat of climate change as impacting a variety of sectors including housing, energy, the economy, agriculture and environmental sustainability.[34] The lack of thermal insulation as an energy use reduction issue is addressed specifically through the objective of introducing modern building technologies and materials to ensure the quality and speed of implementation and their compatibility with climate change by adopting the principles of sustainability and thermal insulation.[35] These efforts are also reflected in the objectives under the climate change and resilience goals to increase the use of clean energy and technologies.[36]

[33] Republic of Iraq, Ministry of Planning, Iraq National Development Plan, 2024-2028, First Program: Promoting Investment in Human Capital and Community Building, 299, 300.

[34] Republic of Iraq, Ministry of Planning, Iraq National Development Plan, 2024-2028, 24.

[35] Republic of Iraq, Ministry of Planning, Iraq National Development Plan, 2024-2028, Second Objective: Improving the quality of buildings to suit environmental characteristics and climate variables. Means of Achieving the Objective 1, 192, 222.

[36] Republic of Iraq, Ministry of Planning, Iraq National Development Plan, 2024-2028, Fifth Objective: Gradual shift towards reducing greenhouse gas emissions by 1-2 per cent of emissions to contain global warming to less than 2 degrees Celsius. Means of Achieving the Objective, 2, 285

**3. Rule of Law and Investments:** Subprogram 1 of the NDP seeks to improve the investment environment for local and foreign investors by strengthening the rule of law and provide adequate protections for land allocations, reviewing the legal frameworks for investment, simplifying administrative procedures, increasing digitisation, improving access to finance and strengthening Public Private Partnerships.[37] All such measures are directly related to the successful involvement of the private sector in housing production and therefore the successful implementation of the current policy.

**4. Informal settlements:** The NDP recognises that informal settlements in urban settings constrain planned development and lead to inadequate housing for residents.[38] This policy seeks to outline housing solutions which are consistent with the Prime Minister's 2024 directives on regularisation, and the NDP goals of providing adequate housing and improved living environment in poor areas.[39] It also seeks to recognise the housing and land rights of informal settlement inhabitants, while preventing the expansion of these housing solutions in an unsustainable manner and outside the zoning frameworks of the municipalities.

**5. Affordable Housing:** The NDP outlines various goals on providing affordable housing to alleviate the housing deficit in Iraq including setting aside units for low-income groups in investor driven housing investment projects, as well as constructing public housing, encouraging residential investment outside city centres that provides housing units at affordable prices, increasing affordable loans through the NHF and the REB. This policy aligns with all goals set out in the NDP by making housing affordability a key pillar of this policy.[40]

**6. Infrastructure Integration:** The policy emphasises the development of housing projects in tandem with essential infrastructure, such as transportation, water supply, and sanitation systems. This ensures that new housing developments contribute to the broader economic and social goals outlined in the NDP, while aligning with positive adaptation to climate change.[41]

**7. Employment Generation:** By investing in the housing sector, the policy creates job opportunities across the construction value chain, aligning with the NDP's third programme focusing on reducing unemployment and fostering economic growth.[42]

[37] Republic of Iraq, Ministry of Planning, Iraq National Development Plan, 2024-2028, Second Program: Economic and Administrative Reform, Subprogram 1, Program to improve the business and investment environment, 304.

[38] Republic of Iraq, Ministry of Planning, Iraq National Development Plan, 2024-2028, Main Challenges: 5, 147.

[39] Republic of Iraq, Ministry of Planning, Iraq National Development Plan, 2024-2028, First Objective: Reducing multidimensional poverty rates at the national level Means of Achieving the Objective: 4, 148.

[40] Housing Activity, First Objective: Alleviating the housing deficit and providing multiple options for segments of society, including low-income people and the poor, Means of Achieving the Objective, 2,3,4, 222.

[41] Republic of Iraq, Ministry of Planning, Iraq National Development Plan, 2024-2028, Chapter Two: Priority National Trends and Global Variables, 4-1: National Priorities, 4-1-3: Positive Adaptation to Climate Change, 20.

[42] Republic of Iraq, Ministry of Planning, Iraq National Development Plan, 2024-2028, Third Program: Investing in infrastructure projects directly linked to the main economic sectors (agriculture, industry, and tourism), Investment revitalisation program to increase employment and develop infrastructure in key sectors: Agriculture, industry, tourism, 310.

**8. Regional Development:** The policy promotes balanced development across Iraq's regions by addressing the unique housing needs of marginalised and conflict-affected areas, aligning with the NDP's focus on equitable regional development.[43]

## Alignment with the Iraq Poverty Reduction Strategy (2026–2030)

The Iraq Poverty Reduction Strategy (2026–2030) aims to reduce poverty and improve the well-being of the most vulnerable populations. The National Housing Policy (2025–2030) supports these objectives through targeted interventions that address housing disparities and improve access to basic services:

**1. Affordable Housing Initiatives:** The policy implements programmes to expand access to affordable housing for low-income households, reducing the housing cost burden and contributing to poverty alleviation.

**2. Social Housing Programmes:** By prioritising housing for vulnerable groups, including internally displaced persons (IDPs), female-headed households, and persons with disabilities, the policy aligns with the Poverty Reduction Strategy's focus on social inclusion and equity.

**3. Enhancing Livelihoods through Housing:** The policy promotes the integration of housing with income-generating activities, such as home-based enterprises, enabling residents to achieve greater economic stability and independence.

## Alignment with Vision for Sustainability 2030

The Vision for Sustainability (2030) establishes a long-term blueprint for Iraq's transition to a sustainable and resilient society. Central to this vision is the principle of inclusive urban development and environmentally responsible infrastructure planning. The National Housing Policy (2025 – 2030) integrates these principles by:

**1. Promoting Sustainable Housing Solutions:** The policy prioritises energy-efficient building designs and the use of environmentally friendly construction materials to reduce the housing sector's carbon footprint. This commitment aligns with the Vision's targets to reduce greenhouse gas emissions and enhance climate resilience.

**2. Fostering Inclusive Urban Development:** The policy emphasises equitable access to affordable housing across urban, peri-urban, and rural areas, contributing to the Vision's goals of reducing regional disparities and ensuring that no community is left behind.

**3. Encouraging Public-Private Partnerships (Public Private Partnerships):** In line with the Vision's emphasis on economic diversification and private sector engagement, the housing policy supports Public-Private Partnerships to mobilise investment, leverage innovation, and accelerate housing delivery.

[43] Republic of Iraq, Ministry of Planning, Iraq National Development Plan, 2024-2028, Chapter Two: Priority National Trends and Global Variables, 4-1: National Priorities, 4-1-4: Spatial Development that Enhances Comparative Advantage and Achieves Rural Development, 21.

# Alignment with the Population Policy

The overarching objective of Iraq's Population Policy is to achieve "sustainable and decent life for all Iraqis", in line with the Constitution of the Republic of Iraq (2005). This vision aspires to a population that is healthy, educated, integrated, and skilled, with strong human and knowledge capacities and lower dependency ratios—demographic, social, economic, and political. Such conditions would enable Iraqis to improve their own quality of life and that of their families, while capitalising on the forthcoming demographic opportunity. The National Housing Policy supports this framework through several key areas:

**1. Youth and Employment:** Recognising the demographic weight of Iraq's youth, their dynamism, and their capacity for meaningful participation in development, the policy underscores the importance of mainstreaming youth issues and prioritising them within planning and policy processes, both generally and specifically in population-related strategies. Investing in youth is an investment in both the present and the future.

**2. Population and Climate Change:** Climate change has triggered serious shifts that affect human health, place pressure on food production systems, reduce biodiversity, and contribute to the spread of disease. To respond, the policy emphasises the careful selection of suitable sites and land for the establishment of residential communities that are resilient to these risks.

**3. Migration:** Ensuring human security is central to population stability. The policy seeks to address the impacts of demographic change by ensuring durable solutions for displaced populations, supporting their stability, and facilitating their integration into host communities.

**4. Housing:** Adequate housing is a cornerstone of decent living, viewed as a social good that responds to the fundamental needs of the population. The primary objective of the policy is therefore to guarantee adequate housing for all families in Iraq.



**Annex II - Alignment with the Population Policy**  
**Table 10: National Housing Policy in Iraq (2025-2030)**

| National Plans                          |                                              | Land Management                                                                                      | Housing Production                                                                                                                                                                                                      | Housing Finance                                                                                                         | Infrastructure                                                             | Building Materials                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------|----------------------------------------------|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| National Development Plan 2024-2028     |                                              | Encourage private residential investment outside city centres that provides affordable housing units | Improve technical monitoring of private and public projects                                                                                                                                                             | Increase availability of loans granted by Housing Fund and the Real Estate Bank                                         | Provide infrastructure services for land allocated within city masterplans | Modernise materials                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Poverty Reduction Strategy 2026-2030    |                                              |                                                                                                      | Construction of low-cost housing, creating income-generating jobs                                                                                                                                                       |                                                                                                                         |                                                                            | Solar energy projects in vulnerable areas.                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Vision for Sustainable Development 2030 |                                              | Uphold rule of law, access to justice and enhance the good governance foundations                    | A strong private sector which contributes to development                                                                                                                                                                | Active and well-governed financial sector                                                                               | Developed infrastructure                                                   | Developing consumption and production patterns to achieve environmental sustainability. Reducing environmental pollution and greenhouse gas emissions.                                                                                                                                                                                                                                                                                                                                                          |
| National Population Policy Document     | Pillar Four: Youth and Employment.           |                                                                                                      |                                                                                                                                                                                                                         | Reducing youth unemployment, ensuring access to decent job opportunities, and facilitating the entry of migrant labour. |                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|                                         | Pillar Seven: Population and climate change. |                                                                                                      |                                                                                                                                                                                                                         |                                                                                                                         |                                                                            | Strengthening Iraq's claims for justice as one of the most affected yet least polluting and contributing countries to climate change, in a way that helps improve living conditions and build sustainable infrastructure for green development, with international support both morally and financially. Adopting a cleaner and more sustainable path by providing renewable energy supplies and environmentally friendly transport services, while ensuring the reduction of pollution-causing energy sources. |
|                                         | Pillar Eight: Migration.                     |                                                                                                      | Adopting economic and development policies that have a positive impact on reducing internal migration rates and stabilising populations, in order to limit the demographic changes resulting from population movements. |                                                                                                                         |                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|                                         | Pillar Nine: Housing                         |                                                                                                      | Adequate housing units for the most vulnerable families and addressing the phenomenon of informal settlements.                                                                                                          | Continuing to support loan programmes that enable citizens to secure appropriate housing.                               | Achieving tangible improvements in basic services and infrastructure.      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

Annex III  
Table 11: The National Housing Policy Implementation Strategies

| No | Policy Pillar       | Policy                                                                                                     | Sub-Pillar                                                                                              | Policy Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Authorities involved in the preparation of operational strategies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Implementor                                                                                                                                                                                                                                                                                                                        |
|----|---------------------|------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | The land management | 1:1 Support land allocation for strategic housing investment projects                                      | New cities and investment opportunity lands                                                             | <ul style="list-style-type: none"> <li>Publish uniform land allocation procedures under the Investment Law.</li> <li>Establish a national inventory of investment ready land.</li> <li>Introduce time-bound approvals for land-related procedures.</li> <li>Align the Iraqi national regulatory and procedural framework on investment facilitation with international standards.</li> <li>Strengthen investor protection and dispute resolution mechanisms.</li> <li>Develop unified service public-private servicing agreements for government land.</li> </ul>                                                                                                                 | <ul style="list-style-type: none"> <li>Ministry of Finance:</li> <li>- State property</li> <li>Ministry of Agriculture</li> <li>Ministry of Planning</li> <li>Ministry of Justice:</li> <li>- Land Registration Department</li> <li>Ministry of Environment</li> <li>Amanat Baghdad</li> <li>Respective Governorates/ municipalities</li> <li>Ministry of Construction, Housing and Public Municipalities:</li> <li>- Directorate of Housing</li> <li>- Directorate of Public Municipalities</li> <li>- General Directorate of Urban Planning</li> </ul> | <ul style="list-style-type: none"> <li>Ministry of Finance</li> <li>- State property</li> <li>Ministry of Agriculture</li> <li>Amanat of Baghdad</li> <li>Respective Governorates/ municipalities</li> <li>Ministry of Construction, Housing and Public Municipalities:</li> <li>- Directorate of Public Municipalities</li> </ul> |
|    |                     | 1:2 Leverage incentives for new cities, ensuring public good alignment                                     |                                                                                                         | <ul style="list-style-type: none"> <li>Codify public benefit obligations.</li> <li>Standardise implementation frameworks.</li> <li>Enforce inclusionary housing policies.</li> <li>Strengthen the enforcement of price ceilings in investment housing projects.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                    |
|    |                     | 1:3 Enable municipal authorities to provide land for housing development                                   | Municipal lands                                                                                         | <ul style="list-style-type: none"> <li>Identify planned city expansion areas and infill development opportunities.</li> <li>Implement serviced land program.</li> <li>Strengthen public-private role in providing infrastructure</li> <li>Support strengthened coordination between the authorities.</li> <li>Ensure compliant and transparent land allocation.</li> <li>Building municipal capacity in land planning and infrastructure management.</li> </ul>                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                    |
|    |                     | 1:4 Establish a unified framework for institutional land management and housing of public sector employees | Territory of government institutions                                                                    | <ul style="list-style-type: none"> <li>Conduct an audit of unused state-owned land.</li> <li>Strengthen coordination among the highest authorities for land allocation.</li> <li>Ensure legal compliance and oversight.</li> <li>Regularise informal settlements located on public land.</li> <li>Standardise public housing schemes for government employees.</li> <li>Mandate transparency and public reporting.</li> </ul>                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                    |
|    |                     | 1:5 Activate untapped private land for housing development                                                 | Activate private land and reform division procedures (large plots or owned by individuals or investors) | <p>For large parcels owned by individuals or investors:</p> <ul style="list-style-type: none"> <li>Simplify land subdivision processes.</li> <li>Provide technical support.</li> <li>Enable voluntary development partnerships.</li> <li>Ensure compatibility with urban plans.</li> <li>Promote land pooling and readjustment.</li> <li>Apply benefit or withdrawal conditions.</li> </ul> <p>For small landowners:</p> <ul style="list-style-type: none"> <li>Direct loans to land holders.</li> <li>Promote incentive-based planning assistance.</li> </ul> <p>For all landowners:</p> <ul style="list-style-type: none"> <li>Update and apply the vacant land tax.</li> </ul> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                    |
|    |                     | 1:6 Improve land management capacity to enable transparent, coordinated and effective housing development  | Strengthen land management capacity                                                                     | <ul style="list-style-type: none"> <li>Develop a comprehensive national urban policy.</li> <li>Prepare mandatory strategic housing plans at the governorate level.</li> <li>Integrate informal communities and slum upgrading into urban plans.</li> <li>Digitise land records and update the property register.</li> <li>Conduct periodic assessments of the housing market.</li> <li>Strengthen urban planning and land conversion capacity.</li> </ul>                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                    |

| No | Policy Pillar             | Policy                                                                                                                               | Sub-Pillar                                                                                                                                                 | Policy Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Authorities involved in the preparation of operational strategies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Implementor                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| 2  | <b>Housing Production</b> | 2:1 Improve mechanisms to attract investors to implement new city projects                                                           | Improve the investment environment for large-scale residential development                                                                                 | <ul style="list-style-type: none"> <li>• Simplify and standardize regulations.</li> <li>• Supervise and monitor by designated government entities to ensure the implementation of investment projects.</li> <li>• Create a unified electronic platform for development approvals at the national level.</li> <li>• Enhanced investment protection.</li> <li>• Simplify licenses and approvals.</li> <li>• Integration of accredited professional consultations.</li> <li>• Protect policy continuity.</li> </ul> | <ul style="list-style-type: none"> <li>• Ministry of Planning</li> <li>• Ministry of Environment</li> <li>• National Investment Commission</li> <li>• Investment branches in the Governorates</li> <li>• Governorates/concerned with housing studies</li> <li>• Federation of Iraqi Contractors (private sector)</li> <li>• Ministry of Construction, Housing and Public Municipalities:</li> <li>- Directorate of Housing</li> <li>- The National Engineering Consulting Center</li> <li>- Department of Engineering Reconstruction</li> <li>- City implementation Authority</li> <li>- Hammurabi Company</li> <li>- Alfarooq company</li> <li>- The Ashur Company</li> <li>- The FAO Company</li> </ul> | <ul style="list-style-type: none"> <li>• National Investment Commission</li> <li>• Investment branches in the Governorates</li> <li>• Federation of Iraqi Contractors (private sector)</li> <li>• Ministry of Construction, Housing and Public Municipalities:</li> <li>- Directorate of Housing</li> <li>- City implementation Authority</li> <li>- Hammurabi Company</li> <li>- Alfarooq company</li> <li>- The Ashur Company</li> <li>- The FAO Company</li> </ul> |
|    |                           | 2:2 Implement a national program for "basic housing" or (core houses) within the National Investment Plan                            | Provision of basic housing through investment projects                                                                                                     | <ul style="list-style-type: none"> <li>• Launch basic 'core' housing program.</li> <li>• Ensure housing affordability and subsidies.</li> <li>• Establish clear supervision and monitoring mechanisms.</li> <li>• Facilitate gradual expansion.</li> <li>• Develop prototype design and simplified approvals.</li> </ul>                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|    |                           | 2:3 Support local construction companies in increasing housing production                                                            | Provide incentives and develop technical and administrative capabilities for micro, small and medium enterprises contractors to implement housing projects | <ul style="list-style-type: none"> <li>• Ease access to funding.</li> <li>• Deliver capacity-building training.</li> <li>• Simplify government procurement procedures.</li> <li>• Provide technical support.</li> <li>• Support bulk purchasing and cooperative procurement systems.</li> <li>• Promote decent work.</li> <li>• Integrate resilient housing design.</li> <li>• Promote green housing job skills</li> <li>• Align with Green Construction Sector Strategy</li> </ul>                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|    |                           | 2:4 Create a "full-service housing platform" to simplify procedures and provide support to citizens wishing to build their own homes | Facilitate and simplify the processes of ownership, construction and access to credit                                                                      | <ul style="list-style-type: none"> <li>• Create an electronic housing platform.</li> <li>• Establish the principle of transparency in the management of public and private land.</li> <li>• Simplify regulatory procedures.</li> <li>• Delegate Local Approval Authority.</li> </ul>                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

| No | Policy Pillar          | Policy                                                                                                                                                                 | Sub-Pillar                                                                                        | Policy Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Authorities involved in the preparation of operational strategies                                                                                                                                                                                                                                                                                                                                                                                                                               | Implementor                                                                                                                                                                                                                                                                                                                                                                            |
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| 3  | <b>Housing Finance</b> | 3:1 Create a diversified housing finance system by expanding beyond government loans                                                                                   | Diversify sources of housing finance                                                              | <ul style="list-style-type: none"> <li>• Increase the capital of government housing finance institutions.</li> <li>• Devise income-based loan products.</li> <li>• Establish a housing refinancing facility.</li> <li>• Expand housing micro-finance.</li> <li>• Expand the scope of residential financing in accordance with Islamic law.</li> <li>• Pilot new ownership models.</li> <li>• Provide affordable housing opportunities for the most vulnerable.</li> <li>• Provide green housing financing instruments</li> <li>• Leverage World Trade Organisation ascension to boost housing finance.</li> </ul> | <ul style="list-style-type: none"> <li>• Central Bank of Iraq:</li> <li>- Private banks</li> <li>• Ministry of Finance:</li> <li>- Real estate bank</li> <li>- Government banks</li> <li>• Ministry of Planning:</li> <li>- Poverty reduction strategy</li> <li>- Development of regions in the Governorates</li> <li>- Projects of Ministries</li> <li>• Ministry of Construction, Housing and Public Municipalities:</li> <li>- The Housing Fund</li> <li>• Directorate of Housing</li> </ul> | <ul style="list-style-type: none"> <li>• Central Bank of Iraq:</li> <li>- Private banks</li> <li>• Ministry of Finance:</li> <li>- Real estate bank</li> <li>- Government banks</li> <li>• Ministry of Planning:</li> <li>- Development of regions in the Governorates</li> <li>• Ministry of Construction, Housing and Public Municipalities:</li> <li>- The Housing Fund.</li> </ul> |
|    |                        | 3:2: Link land allocation programs to targeted housing financing mechanisms                                                                                            | Link land administration to access to finance                                                     | <ul style="list-style-type: none"> <li>• Couple land allocation coupled with affordable financing.</li> <li>• Expand sites and services models.</li> <li>• Strengthen partnerships with micro-finance institutions and private banks.</li> <li>• Link funding to informal settlement and slum upgrading programs.</li> <li>• Create a unified platform for land and housing finance.</li> </ul>                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                        |
|    |                        | 3:3: Raise the loan ceiling and improve the lending conditions in the sub-districts, districts and rural areas to stimulate development outside the main urban centres | Increase the loan ceiling in rural areas, small and medium cities to promote balanced development | <ul style="list-style-type: none"> <li>• Adjust the loan ceiling and conditions.</li> <li>• Geographically target loans.</li> <li>• Coordinate with the Spatial Development Policy Department.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                        |
|    |                        | 3:4: Provide facilities for government-subsidised housing loans to enable private lending                                                                              | Increase the capacity of private banks to provide affordable loans                                | <ul style="list-style-type: none"> <li>• Establish a housing credit facility.</li> <li>• Provide a mechanism for mortgage risk sharing.</li> <li>• Implement regulatory reforms.</li> <li>• Provide technical assistance to banks.</li> <li>• Prioritise housing loans through regulatory incentives.</li> <li>• Creation of a secondary mortgage market.</li> </ul>                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                        |



| No | Policy Pillar  | Policy                                                                                                   | Sub-Pillar                                           | Policy Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Authorities involved in the preparation of operational strategies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Implementor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| 4  | Infrastructure | 4:1 Invest in basic infrastructure to support planned residential expansion and new developments         | Basic infrastructure for urbanisation                | <ul style="list-style-type: none"> <li>• Coordinate approvals for infrastructure and housing.</li> <li>• Implement public works programmes to support the expansion of infrastructure in new residential areas.</li> <li>• Benefit from public-private partnerships and land-based financing.</li> <li>• Support the use of renewable energy technologies in new projects.</li> <li>• Integrate nature-based solutions for climate change adaptation.</li> <li>• Increase water efficiency.</li> </ul> | <ul style="list-style-type: none"> <li>• Ministry of Planning</li> <li>• Ministry of Environment</li> <li>• Ministry of Transport</li> <li>• Ministry of Electricity</li> <li>• Ministry of Communications</li> <li>• Ministry of Education</li> <li>• Ministry of Health</li> <li>• Amanat of Baghdad</li> <li>• The municipality in concerned in the Governorates</li> <li>• Ministry of Interior</li> <li>• Ministry of Construction, Housing and Public Municipalities:</li> <li>- Directorate of Housing</li> <li>- Directorate of Public Municipalities</li> <li>- General Directorate of Water</li> <li>- General Directorate of Sewerage</li> <li>- Department of Roads and Bridges</li> </ul> | <ul style="list-style-type: none"> <li>• Ministry of Transport</li> <li>• Ministry of Electricity</li> <li>• Ministry of Communications</li> <li>• Ministry of Education</li> <li>• Ministry of Health</li> <li>• Amanat of Baghdad</li> <li>• The municipality concerned in the Governorates</li> <li>• Ministry of Interior</li> <li>• Ministry of Construction and Housing: Public Municipalities:</li> <li>- Directorate of Public Municipalities</li> <li>- General Directorate of Water</li> <li>- General Directorate of Sewerage</li> <li>- Department of Roads and Bridges</li> </ul> |
|    |                | 4:2 Rehabilitate and modernise urban infrastructure networks to improve service quality and capacity     | Develop existing infrastructure (outside new cities) | <ul style="list-style-type: none"> <li>• Launch national program for the rehabilitation of urban infrastructure.</li> <li>• Implement a public works program to provide infrastructure.</li> <li>• Introduce modernisation measures.</li> <li>• Promote the development of green infrastructure in residential areas.</li> </ul>                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|    |                | 4:3: Expand basic infrastructure services to informal and peri-urban areas to achieve universal coverage | Informal/ unplanned area services                    | <ul style="list-style-type: none"> <li>• Launch of a national informal settlement upgrading programme.</li> <li>• Expand infrastructure and community services.</li> <li>• Implement a public works programme for informal settlement upgrading.</li> </ul>                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|    |                | 4:4: Promote coordination and sustainable financing for urban infrastructure service delivery            | Sustainable service delivery                         | <ul style="list-style-type: none"> <li>• Strengthen institutional coordination</li> <li>• Promote sustainable infrastructure financing</li> <li>• Provide performance-based infrastructure grants</li> <li>• Support cost recovery</li> <li>• Involve the private sector</li> <li>• Raise public and environmental awareness</li> </ul>                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

| No | Policy Pillar                             | Policy                                                                                                                                           | Sub-Pillar                                                                                                            | Policy Recommendations                                                                                                                                                                                                                                                                                                                                                                                              | Authorities involved in the preparation of operational strategies                                                                                                                                                                                                                                                                                                                                                                                       | Implementor                                                                                                                                                                                                                                                                                                                                   |
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| 5  | <b>Housing management and maintenance</b> | 5:1 Prepare and implement legislation to establish housing management and maintenance associations (HMAs) for multi-unit residential buildings   | Set the necessary regulations for the management and maintenance of residential complexes                             | <ul style="list-style-type: none"> <li>• Re-enactment of the Cooperative Societies Act to establish Housing Management Associations.</li> <li>• Standardise standards, regulations and municipal control.</li> <li>• Provide financial and technical support.</li> </ul>                                                                                                                                            | <ul style="list-style-type: none"> <li>• Ministry of Justice</li> <li>• Ministry of Planning</li> <li>• Ministry of Environment</li> <li>• Ministry of Electricity</li> <li>• Ministry of Communications</li> <li>• Secretariat of Baghdad</li> <li>• Ministry of Industry</li> <li>• The municipality concerned in the Governorate</li> <li>• Cooperative societies</li> <li>• Ministry of Construction, Housing and Public Municipalities:</li> </ul> | <ul style="list-style-type: none"> <li>• Ministry of Electricity</li> <li>• Ministry of Communications</li> <li>• Amanat Baghdad</li> <li>• Ministry of Industry</li> <li>• The municipality concerned in the Governorate</li> <li>• Cooperative societies</li> <li>• Ministry of Construction, Housing and Public Municipalities:</li> </ul> |
|    |                                           | 5:2 Implement a national regulatory framework that mandates regular preventive inspection and maintenance programs for all residential buildings | Prepare guidance including approved maintenance standards for the management and maintenance of residential complexes | <ul style="list-style-type: none"> <li>• Mandate regular building inspections.</li> <li>• Adopt a phased roll-out with capacity-building.</li> <li>• Set minimum habitability standards.</li> <li>• Strengthening oversight and implementation</li> <li>• Raise awareness and educate residents.</li> </ul>                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                               |
|    |                                           | 5:3 Establish of a national fund for the management and maintenance of residential buildings                                                     | Facilitate improved maintenance practices                                                                             | <ul style="list-style-type: none"> <li>• Launch a national fund for maintenance and renovation.</li> <li>• Promote energy retrofitting in existing housing.</li> <li>• Promote community-based climate adaptation.</li> </ul>                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                               |
|    |                                           | 5:4: Preserve the rental housing stock                                                                                                           | Facilitate improved maintenance and restoration practices                                                             | <ul style="list-style-type: none"> <li>• Maintain existing public housing and encourage the establishment of new residential rental complexes.</li> <li>• Support rental housing initiatives (rental housing) at affordable prices.</li> <li>• Introduce support for the rehabilitation of rental housing.</li> <li>• Create rental voucher programs.</li> <li>• Promote legal and institutional reform.</li> </ul> | <ul style="list-style-type: none"> <li>- Directorate of Housing</li> <li>- Directorate of Public Municipalities</li> <li>- General Directorate of Water</li> <li>- General Directorate of Sewerage</li> <li>- Department of roads and Bridges</li> <li>- Department of Buildings</li> </ul>                                                                                                                                                             | <ul style="list-style-type: none"> <li>- Directorate of Public Municipalities</li> <li>- General Directorate of Water</li> <li>- General Directorate of Sewerage</li> <li>- Department of roads and Bridges</li> </ul>                                                                                                                        |

| No | Policy Pillar      | Policy                                                                                                                                           | Sub-Pillar                                                                                                 | Policy Recommendations                                                                                                                                                                                                                                                                                                    | Authorities involved in the preparation of operational strategies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Implementor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| 6  | Building materials | 6:1 Rehabilitate and modernize MOCHPM prefabricated construction plants and support the modernization of similar factories in the private sector | Rehabilitation of public and private prefabricated building factories                                      | <ol style="list-style-type: none"> <li>1. Evaluate and rehabilitate existing facilities.</li> <li>2. Encourage investments for the rehabilitation of prefabricated buildings factories.</li> <li>3. Align prefabricated housing production with targeted housing programs.</li> </ol>                                     | <ul style="list-style-type: none"> <li>• Ministry of Environment</li> <li>• Ministry of Industry</li> <li>• Ministry of Commerce</li> <li>• National Investment Commission</li> <li>• Investment branches in the Governorates</li> <li>• Iraqi Chamber of Commerce</li> <li>• Ministry of Construction, Housing and Public Municipalities: <ul style="list-style-type: none"> <li>- Directorate of Housing</li> <li>- The National Centre for Construction Laboratories</li> <li>- Construction Research Centre</li> <li>- Ministry companies that own the ready-to-build factories</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Ministry of Industry</li> <li>• Ministry of Commerce</li> <li>• National Investment Commission</li> <li>• Investment agencies in the Governorates</li> <li>• Iraqi Chamber of Commerce</li> <li>• Ministry of Construction, Housing and Public Municipalities: <ul style="list-style-type: none"> <li>- The National Centre for Construction Laboratories</li> <li>- Construction Research Centre</li> <li>- Ministry companies that own the ready-to-build factories</li> </ul> </li> </ul> |
|    |                    | 6:2 Expand and diversify the local production of building materials                                                                              | Stimulate local production                                                                                 | <ul style="list-style-type: none"> <li>• Develop a comprehensive plan for the development of building materials.</li> <li>• Support investment and partnerships for industrial upgrading.</li> <li>• Encourage low-carbon industries.</li> <li>• Prepare technical specifications and accreditation systems.</li> </ul>   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|    |                    | 6:3. Enhance capacity to monitor quality control standards for building materials                                                                | Review of quality control standards                                                                        | <ul style="list-style-type: none"> <li>• Update and enforce building materials standards.</li> <li>• Strengthen inspection infrastructure and certification systems.</li> <li>• Adopt a unified national building code.</li> </ul>                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|    |                    | 6:4: Provide incentives to encourage the use of sustainable and modern building materials                                                        | Promote the adoption of sustainable materials                                                              | <ul style="list-style-type: none"> <li>• Support and incentivize the use of green building materials.</li> <li>• Introduce developer incentives for green building.</li> <li>• Apply green building standards and codes gradually.</li> <li>• Launch a green building innovation fund.</li> </ul>                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|    |                    | 6:5 Establish research and development partnerships in the housing and building materials sector                                                 | Facilitate applied research that leads to increased use of sustainable materials, technology and practices | <ul style="list-style-type: none"> <li>• Establish housing innovation centres.</li> <li>• Promote cooperation in research and development between the public and private sectors.</li> <li>• Facilitate international technical exchange.</li> <li>• Develop and publish a green building materials inventory.</li> </ul> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|    |                    | 6:6 Develop public-private partnerships to promote the production of building materials and the manufacturing of prefabricated housing           | Incentivize private sector contributions to material production                                            | <ul style="list-style-type: none"> <li>• Establish industrial incentives and joint investment mechanisms.</li> <li>• Rehabilitation of state-owned factories through joint ventures.</li> <li>• Expand prefabrication capacity for housing delivery.</li> </ul>                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |









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