

Program Review Board (PRB) Minutes – Sep 9, 2003

Attendees:

*David Oliver	Chair, Director of CPA Office of Management & Budget
Sherri Kraham	Director, Program Review Board
*Lewis Lucke	Director, US Agency of International Development
*Andrew Ockenden	Representative of the UK Government
COL Paul Hough	CPA Comptroller
COL Tony Bell	CPA – Contracting Activities
*COL Michael Toner	Coalition Joint Task Force-7 Comptroller
LTC Terry Ross	Coalition Joint Task Force-7 Comptroller, Deputy
Al Runnels	CPA Chief Financial Office
*Gerald Thompson	CPA Advisors office National Security and Defense
*Andy Bearpark	CPA Director of Operations
*Suzanne Schaffrath	Advisor, CPA office of Governance
Eric Pelofsky	CPA General Counsel

* Voting member

Previous minutes were approved.

Status of Funds: Runnels: Good news, IRRF \$48M uncommitted; Washington working to fund \$300M for electricity program out of Iraq Freedom Fund, represents new money if Congress goes along. Taking \$466M out of IRRF (previously approved) appropriated funding of Task Force Rio oil infrastructure program. All remaining funding will come from DFI. Transfer from DFI account to support Wheat/Barley Harvest program. \$120M of UN Oil for Food funds, designated for this program, has been deposited into the DFI account. \$55M to be transferred from DFI into the Rasheed Bank to repay two loans made to the Ministry of Trade to support wheat and barley harvest program earlier this year. According to the General Counsel, program transfers do not require PRB approval, notification for the record only.

The following Funding Requests were considered by the Board for recommendation to the Administrator:

#461 Seaports for Fuel, \$10M. Oliver: Came into PRB last week requesting \$15M for security in Basrah region. Researched with Oil Minister, had sufficient funds to finance \$5M. Project not entirely Ministry of Oil responsibility, \$9M off shore portion Ministry of Transportation responsibility, Ministry of Transportation does not have funds available to support. Approved, \$10M.

#482 Iraqi Foreign Litigation, Claims & Arbitrations, \$1,445,770. Pelofsky: Iraq engaged in litigation worldwide, mostly as a defendant. Large numbers (dollars) are at risk, numbers become hunting licenses for individuals or companies to go after our assets overseas. Litigation can't attack DFI, can attack any funds placed overseas. Strong motivation to limit hunting licenses, get delays so the Iraqis can make their own litigation decisions once we're gone. Most cases seeking delays or trying to prevent large judgments against Iraq. \$445K requested by UN

to individuals in Iraq while working in Geneva transferred by individuals to the Ministry of Foreign Affairs authority to give back to Iraq; Ministry of Foreign Affairs never up the money gave money, (UN wants us to pay with lawyers that were litigated). Funds currently in Ministry of Foreign Affairs branch of Rasheed Bank. Oliver: Procedures for paying all private accounts must be followed. POC: Dan Devlin can provide a copy of signed memo. Oliver: Put as Iraqi Ministry of Justice budget. Pelofsky: Was submitted for 2004 budget, think it has been stripped. Need to act now; have to commit to pay lawyers. Pay will vary depending on skill level, London litigators more expensive. Oliver: \$1M now, \$3M put in budget. Approved, \$1M.

#480 & 481, Ad Duluiyah Water Treatment Projects. Kraham: Two local projects for the North under Construction Initiative, had \$15M, have now spent half. Projects cleared by water resources. Not long term projects, provides immediate potable water to the community. Approved.

Oliver: Change meeting to once a week to get the new Finance Minister to come in, to Saturdays only. Working with military to resolve issues of CERP & DERP. Kraham: PRCs will change to two meetings per week.