

Program Review Board (PRB) Minutes – Sep 13, 2003

Attendees:

*David Oliver	Chair, Director of CPA Office of Management & Budget
Sherri Kraham	Director, Program Review Board
*Lewis Lucke	Deputy Director, US Agency of International Development
*Heidi Venamore	Representative of the Australian Government
*Nick Harvey	Representative of the UK Government
COL Paul Hough	CPA Comptroller
COL Tony Bell	CPA – Head of Contract Activities
*COL Michael Toner	Coalition Joint Task Force-7 Comptroller
LTC Terry Ross	Coalition Joint Task Force-7 Deputy Comptroller
Al Runnels	CPA Chief Financial Officer
*Gerald Thompson	Representative of National Security and Defense
*Andy Bearpark	CPA Director of Operations
*Suzanne Schaffrath	Representative of CPA - Governance
*Marek Belka	Director of Council for Int'l Cooperation
James Carrera	Representative - Pentagon Management Liaison Cell
Ali Khedery	CPA – Amb Kennedy's Office
H. Bassford	Regional Coordinator of CPA's Baghdad Regional office
Larry Howard	Representative of CPA's Baghdad Regional office
J. Lemmon	Representative from Amb Bremer's Office
R. Meldonian	Defense Contract Audit Agency.
CDR Kevin Waskow	Representative of CPA – Comptroller
Andrew Goledzinowski	Representative of Council for International Cooperation

***Voting Members**

The Chair briefed the Board on the status of the supplemental appropriation request. Deputy Secretary of State and Treasury will go to Capitol Hill Tuesday. Deputy Secretary of Defense has already testified. Spent morning with Congressional delegation to push for appropriation.

Previous minutes approved.

Status of Funds: The CFO briefed that the total funds available \$1.3B. DFI \$1.3B, totaling salaries and budget operations, will go on through November, not including projected expenditures. IRRF are fully committed and there are multiple claimants against funds. Oliver: If include expected oil revenues; will only make it to December.

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

#463 - Commander's Emergency Response Program, \$60M Oliver: In the long run, would like to implement this program through civilian authorities in regions. Pragmatically, Andy still building regional representatives and military is spending money with results now.

Would like to fund \$10M for rest of September; \$20M each for October and November in that they pay FPS salaries; and \$10M for December. Put \$8M/ per month in next years budget. Kraham and Bearpark to get with CJTF-7 to work out a plan for transitioning this for going through regions. Amb Bremer seeing too many results with military to transition now. Funding would be DFI. Runnels: Have 90M in euros, trying to convert in either Kuwait or Europe to US dollars, would be additional seized funds, would like to continue CERP with seized for as long as funds are available. Approved, \$60M.

#453 – Prisons Development Program, \$11.5M Gilman: Department of Justice to bring in team of top-level management to train corrections officers for transitioning prisons from US military to Iraqi control. Critical mission due to absence of rule of law in Iraq. Oliver: How much can be funded from ministry budget? \$10M still available. Intend to take funds from Iraqi prison budget; need to approve something for 3 new ministries, make fixes for Oil-for-Food program that stops on 21 Nov; will bring new supplemental. First thing is to partially fund from money that prisons have not spent, take and redeploy. Hough: \$112M site security. Oliver: Proposal, for whatever money we can't get; will do this through new money that is available. Runnels: New money is for CPA overhead type expenses. Oliver: This works because we classify as an overhead, since they're U. S. personnel can attach to CPA. Approved, \$11M.

#486 – Sadr City Interim District Advisory Council, \$1.1M Bassford: Project is to increase credibility and legitimacy of councils. Trying to put influence of power in the country (specifically in Sadr City) in the councils. Neighborhood councils will work with 103 sectors dividing \$10K per sector to do projects identified by sector committees (assisted by the neighborhood councils) to do anything they want (community centers, daycare), no payment for salaries. If sectors want to participate and provide skilled labor (plumbers or electricians), must be voluntary basis. Once project selected and agreed to, memorandum of understanding between sector committee and neighborhood council (ultimate authority for approving projects) completed. Project forwarded through 1st AD before forwarding to district office for funds disbursement. 50% disbursed in beginning, won't disburse more until first \$5000 is disbursed and report received. Oliver: Essentially, funding for pilot project in pursuit of democracy. Kraham: A sector is a subdivision of a neighborhood; if several sectors want to join forces to do a neighborhood project, they can combine funds. Runnels: Program resembles CERP, put money out in sectors, large potential for misuse. CERP has system in place; this project does not. Bassford: Funding controls planned, both oversight by military battalions and district, which have fund managers and supervisors. Neighborhood councils have a specific interest and want to ensure resources go to support their neighborhood, control by Iraqis for Iraqis. Actually, think we're over controlling. Oliver: Report received concerning Baghdad Central Iraqis engaging in fraud. Directed Runnels to have auditors take a look. Consider a pilot; get back to the board. When fraud is reported, we have to investigate, have to be attentive. Approved, \$1.1M.

#458 – Security for Governing Council Compound- \$712,000 Khedery: Two instances of IED activation, lucky on both instances. Concern of security at various levels. Oliver: Providing outer two-layers of barriers. Approved, \$712K.

Oliver: New request for \$50K, for justified items identified for Amb Kennedy for governing council. Essentially gives authority to spend \$50K without having to come to the

board. Bearpark: Real problem, have a request (currently going through the system) for \$1000 for the Governorate Coordinators to do their jobs but if Governorate Coordinators can't have flexible funds, why give that authority to the Governing Council. Kraham: The problems with Governorate request, essentially representational funds (indicated on document) not appropriate use of Iraqi funds this is operating/entertaining costs. Won't consider now, will take up at next meeting.

#456 – CPA Regional Programs, \$28.5M Kraham: This has come around before. Assessed allocations based on current spending patterns and amount in accounts already. Baghdad did not receive Construction Initiative fund, others have between half and almost the full amount available to them. Big spender South Central has depleted \$15M, ready immediately for a plus up; would like to expand per project authority to \$200K. Regional directorates maintain administration of programs until the Program Review Committee (CFO, Comptroller and contracting) can certify ensuring appropriate procedures are in place for governorate teams to administer programs. Authority to cover emergency response programs and infrastructure and construction projects contained in the construction initiative. If they choose, can do long-term projects (\$1M for city councils) if they want to spend their money that way. \$5M per month for South Central who is currently spending at an increased rate, \$1.5M per month for all other regions. Figures based on current spending, can reevaluate later. Bell: Have contract officer in Basrah, money in regions tied to CERP and DERP. Projects may be handed to them, trained contract officers. Approved for seized funds if available, \$28.5M.