

Approved
7/12
PRB

Program Review Board (PRB) Meeting Minutes – 8 Jul 03

Attendees:	*Peter McPherson	Chair
	Sherri Kraham	PRB
	*Marek Belka	CIC
	Andrew Goledninowski	CIC
	*Neil Mules	Australia
	*Steven Sabey	UK
	Owen Lewis	OGC
	Cass DuRant	OMB rep
	Dan Hitchings	Ministry of Housing & Construction
	Ken Nations	CPA Comptroller
	Dave Dolph	CJTF-7 C8
	*Andrew Bearpark	Div Ops
	Col. Tony Bell	HCA, CPA-CA
	*Walt Slocombe	OSA (NS+D)
	*Peter McPherson	Econ
	* Voting Member	

1. Grant & Contract procedures: Maj Lewis (Legal Counsels Office) gave an update on the changes to the drafting contracting procedures, including a new requirement for justification of sole source contracts. Also discussed was a concern for limited competition (i.e. at least 3 bidders per contract); McPherson asked Legal to look into whether there could be an escape clause for certain procedures.
2. Neil Mules brought up the possibility of revising standards and policies concerning the assessment of contract procedures followed by the Ministries. There is a proposal to conduct a thorough review of all contract procedures. The Security Council has established procedures of spending money. Per section 1.3 of the CPA Grant & Contract Procedures document, this applies to Iraqi ministerial contracts. A system to monitor expenditure of funds under the ministries has not been established. A financial structure will be put in place to disburse the national budget one month at a time. There will be funds released for capital expenditures; however, it will not be all of it. What is the expectation of the CPA document? Will it be ratified upon development of the Iraqi government? A UN appointed accounting firm will eventually be hired to conduct a complete audit of all financial activity. Competition is strongly encouraged. Policy discussion about whether CPA awarded contracts subject to termination for the convenience of the government; McPherson pointed out that we could condition restoration of sovereignty on whatever we choose to condition it on, including assumption of contracts. Laws: Whose laws will apply for the granting of contracts? Iraq, US, or UK. Within 2 weeks, a vote will be taken concerning contract and grant procedures. Discussions with pertinent people as to how to engage the ministries will be conducted prior to voting.
3. International Transparencies: Col Bell, the CPA contracts lead, suggested that we use the CPA website for announcing contracting opportunities internationally and that we advertise through major newspapers (Wall Street Journal, Herald Tribune, and Financial Times) that the website will be the means for opportunities internationally.

4. Program Review Board Criteria: Criteria distributed last week. This will be disseminated widely for regional use when requesting funding. A guide for what the PRB will be looking at, not a Q & A. Needs to be done quickly
5. Quorum: Six voting members present, 7 needed for a quorum. There are 13 voting members, 7 required in attendance for a quorum. Missing today: Ryan Crocker (governance), Iraqi Minister of Finance, and CJTF-7 (out of town). Suggestion to add more members to ease quorum problems; decision to request the GC to reduce the requirements.
6. Proposal for Micro-Credit Facility in South: Urgent need for response in this area. \$6.4 million grant for micro-credit lending facility for the southern region. A Grant recipient has been identified. Component 1: Micro-credit loans from \$100 - \$500, targeted to women. Group loans beginning at \$100 per recipient, short term 6 months. Loans increased in increments up to \$500. Loan capital: \$750,000. Component 2: Individual Small Business Loans (for men and women entrepreneurs), from \$500 - \$25,000 with terms up to one year. Interest rates set by implementer - CHF International (an NGO with extensive experience). Capital will be \$4.25 million. In attendance to address any questions or concerns was Charles Greenleaf, from the Economic Affairs section. Iraqi assets to be used, not US appropriated funds. CHF International currently has a 97% payback rate on all loans. Other projects with limited competition options. Analyze who/whats available, quality not price is the determining factor. Review options for need of competitive processing of contracts. If NGO money is spent, there needs to be competition.

Basis: Urgency to be done on the spot, with an NGO already on the ground, capable of starting the loans immediately; consensus that this is common practice for selection of grants.

Vote: 5 Ayes, 1 Nay. Sherri Kraham to get seventh member signature vote.

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 CJTF7 CoPS
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