

**COALITION PROVISIONAL AUTHORITY
REGULATION NUMBER 7**

INTERNATIONAL DONOR ASSISTANCE

Pursuant to my authority as head of the Coalition Provisional Authority (CPA), and under the laws and usages of war, and consistent with relevant U.N. Security Council resolutions, including Resolutions 1483 and 1511 (2003),

Furthering paragraph 1 of Resolution 1483, appealing to Member States of the United Nations and concerned organizations to assist the people of Iraq in their efforts to reform their institutions and rebuild their country, and to contribute to conditions of stability and security in Iraq,

Furthering paragraph 2 of Resolution 1483, calling upon Member States in a position to do so to respond immediately to humanitarian appeals of the United Nations and other international organizations for Iraq and to help meet the humanitarian and other needs of the Iraqi people by providing food, medical supplies, and resources necessary for reconstruction and rehabilitation of Iraq's economic infrastructure,

Furthering paragraph 15 of Resolution 1483, which calls upon the international financial institutions to assist the people of Iraq in the reconstruction and development of their economy and to facilitate assistance by the broader donor community,

Noting the statement of September 20, 2003, in Dubai, by the Ministers of Finance and Central Bank Governors of the Group of Seven Industrialized Nations, in which the participants affirmed their support for a multilateral effort to help rebuild and develop Iraq and for the International Monetary Fund (IMF) and the World Bank to provide financial and other assistance to Iraq rapidly, subject to their policies,

Observing that the IMF and the World Bank already have provided significant technical assistance to Iraq, but that having these international financial institutions (IFIs) work closely with the Governing Council and Iraqi ministers now on arrangements necessary to enable the early commencement of IFI lending would further help the people of Iraq in the reconstruction and development of their country,

Recognizing that the Governing Council and its ministers, as provided in paragraph 4 of Resolution 1511, are the principal bodies of the Iraqi interim administration, which, without prejudice to its further evolution, embodies the sovereignty of the State of Iraq during the period of transition,

Recalling paragraph 20 of Resolution 1511, which urges the international financial institutions to take immediate steps to provide their full range of loans and other assistance to Iraq, working with the Governing Council and its ministers,

Noting the Conclusions by the Chair of the International Donors' Conference on Reconstruction in Iraq, held in Madrid October 23-24, 2003, which stated that the conference looks forward to the early creation of an Iraqi-led coordination mechanism to ensure that Iraqi priorities and needs guide the national development process and to prevent the emergence of gaps and duplication, and called upon all donors to work with this mechanism,

I hereby promulgate the following:

Section 1

Iraqi Strategic Review Board

- 1) *Establishment.* The Iraqi Strategic Review Board (the "Board") is hereby established as the Iraqi organization, operating under the authority of the Governing Council or its successor, that will work on behalf of the Iraqi people to forge a strong partnership among the interim Iraqi administration and contributing governments, international organizations and other entities that provide grants, loans, guarantees, or other financial or technical assistance in support of Iraq's relief, recovery and development efforts.

- 2) *Functions.*
 - a) The Board shall provide overall policy guidance with respect to multilateral and bilateral financial and economic development assistance for Iraq, setting and prioritizing needs in a transparent manner that does not unfairly discriminate among the Iraq's geographic regions and cultural and religious groups.

 - b) In addition, the Board shall take action on recommendations from the Ministry of Planning and Development Cooperation regarding the allocation of international financial and other assistance against Iraq's needs. In exercising this authority, the Board shall, within ten working days following the relevant Ministry's submission of a recommendation, either approve or disapprove the recommendation, or return it to the Ministry for reconsideration.

 - c) The Board shall work closely with the Ministry of Planning and Development Cooperation and the Ministry of Finance to ensure that international assistance for Iraq is actively fostered, properly allocated against Iraq's prioritized needs, effectively utilized and monitored, and integrated into the Iraqi national budget.

3) *Membership.* The Board shall consist of five individuals: two appointed by the Governing Council; the Minister of Planning and Development Cooperation, the Minister of Finance, and a representative of the CPA.

4) *Chairmanships.*

- a) The Board shall designate from amongst its membership a Chairman and a Vice Chairman.
- b) The Chairman (or, in his or her absence, the Vice Chairman) shall participate in the International Reconstruction Fund Facility in such capacity as may be agreed with the IRFF Donor Committee.

5) *Board Meetings.*

- a) Meetings of the Board shall be chaired by the Chairman, and, in his or her absence, by the Vice Chairman or a mutually agreed designee.
- b) A quorum of four members is required in order for the Board to meet and make decisions. As necessary, the Chairman may permit participation pursuant to a written proxy.
- c) Decisions of the Board shall be made by consensus whenever possible and otherwise by majority vote of the Board. Each member shall have one vote. In the event of a tie, the chair for the meeting shall cast the deciding vote.
- d) The Board may invite any persons to its meetings as may be necessary for the transaction of its business.

Section 2

Ministry of Planning and Development Cooperation

1) *Renaming.* The Iraq Ministry of Planning is hereby renamed the Ministry of Planning and Development Cooperation. All references in previous orders, regulations, and memoranda or Iraqi laws and regulations to the Ministry of Planning shall be deemed to refer to the Ministry of Planning and Development Cooperation.

2) *Support.* The CPA shall provide personnel support to the Ministry of Planning and Development Cooperation, in consultation with the Minister, in order to reinforce and develop local Iraqi capacity at all levels. In addition, the CPA and the Minister shall seek technical assistance for the Ministry from appropriate international sources.

3) *Functions.* The Ministry of Planning and Development Cooperation shall, consistent with the responsibilities of other Ministries specifically set forth in this Regulation and under the overall guidance of the Board:

- a. Take such actions as it deems necessary to promote international assistance to Iraq, including liaising with existing and potential donors and following up on pledges of assistance;
- b. Develop transparent procedures for allocating international assistance to geographic and/or functional sectors in Iraq; make recommendations, with the concurrence of the Ministry of Finance, to the Board regarding specific programs and/or the allocation of international assistance among these sectors; and authorize the disbursement of assistance for specific programs, projects and activities, within sector allocations approved by the Board;
- c. With the concurrence of the Ministry of Finance, ensure that the recommendations presented to the Board reflect a single, comprehensive and integrated plan for matching all available revenues, regardless of source, against all known requirements in the manner that optimizes the use of those resources to meet Iraq's prioritized needs;
- d. consistent with this Regulation, prescribe procedures for the Iraqi Ministries' performance of duties relating to international assistance to Iraq;
- e. Serve, together with the Board, to represent the people of Iraq in connection with trust funds administered by the United Nations and World Bank, including reviewing and recommending for approval programs and projects to be financed by the Facility and participating in the Facility's Donor Committee and Coordinating Committee as may be agreed;
- f. Work closely with the Ministry of Finance and the Central Bank of Iraq to ensure that assistance from the international financial institutions is allocated consistently with the national budget, and in a manner that supports the integration of capital improvements and operating requirements into a unified national budget as soon as practicable;
- g. Work closely with the CPA's Program Management Office to ensure that pre-existing bilateral commitments and the U.S. Government's apportionment and obligation of funds that the U.S. Congress appropriates for Iraq relief and reconstruction are taken into account in their recommendations to the Board;

- h. Monitor the implementation of international financial assistance to Iraq to ensure that resources are applied against Iraq's prioritized needs and equitably distributed among Iraq's geographic regions and cultural and religious groups;
- i. Participate in the Council for International Coordination (CIC) through the assumption of the Chairmanship of the CIC by the Minister of Planning and Development Cooperation, as decided unanimously by the CIC on November 19, 2003.

Section 3

Roles and Responsibilities of the Iraqi Ministries

- 1) Iraqi Ministries shall submit program and plans for the expenditure of donor funds to the Ministry of Planning and Development Cooperation for the approval of the Board. In accordance with such approval, the Iraqi Ministries shall negotiate, execute and implement grant and technical assistance agreements with governments, non-governmental organizations, and other donors for projects and activities related to the particular Ministry's functional responsibilities.
- 2) Iraqi Ministers shall also ensure effective liaison and coordination, in their responsibility, with regional and local officials. The Ministry of Planning and Development Cooperation will work with Iraqi Ministries and regional and local officials to facilitate and assist in this regard.

Section 4

Bilateral Assistance

- 1) *Contracting Procedures.*
 - a) In negotiating and executing bilateral arrangements for financial and economic development assistance to Iraq, the Ministries may agree to terms that authorize contributing governments to designate project(s) or programs that will be funded by their assistance, and to direct all contracting activities necessary to carry out such project(s) or programs, including the selection of contractors and subcontractors. The Ministries shall encourage contributing governments to adopt contracting procedures that ensure competitive and open bidding and that are otherwise consistent with internationally accepted contracting principles; and to complement their bilateral assistance with assistance channeled through multi-donor trust fund(s) and other multilateral mechanisms.

- b) To the extent that bilateral arrangements negotiated pursuant to this Regulation provide for the application of contracting procedures or the execution of contracting actions as specified by the contributing government, the CPA shall regard such procedures or actions as having the same legal force and effect as contracting procedures or actions adopted by the CPA. In addition, the CPA shall accord contractors and subcontractors selected by contributing governments pursuant to this subsection the same privileges, protection and support provided to contractors and subcontractors of Coalition partners.
- 2) *Additional Provisions.* In addition to the terms and conditions specified in subsection 4(1) of this Regulation, bilateral arrangements for assistance to Iraq may contain such other terms and conditions as the Board may determine necessary and appropriate, including provisions that:
- a) Grant contributing governments direct access to communicate with Governing Council representatives or their successors and Iraqi Ministers regarding projects funded with their contributions;
 - b) Offer office facilities at the Iraqi Business Center in Baghdad for representative(s) of contributing governments;
 - c) Accord exporters of contributing governments access to the facilities of the Trade Bank of Iraq; and

Section 5

International Financial Institution Assistance

- 1) Subject to the overall guidance and final approval of the Board:
- a) The Ministry of Finance shall be responsible for developing, negotiating and authorizing all IMF assistance to Iraq, as well as preparatory activities related thereto;
 - b) The Ministry of Planning and Development Cooperation shall be responsible for developing, negotiating and authorizing all World Bank and other IFI assistance to Iraq, as well as preparatory activities related thereto...

To ensure that grant, technical assistance, lending and other arrangements with the IFIs are made within the broader context of Iraq's economic infrastructure and social policies and are effectively coordinated with the national budgeting process, the Ministry of Finance, the Central Bank of Iraq, and the Ministry for Planning and Development

Cooperation shall consult regularly on the development and negotiation of any such arrangements, as well as preparatory activities related thereto.

Section 6
Authority of the Governing Council and Iraqi Ministries

The CPA recognizes that, as stated in Resolution 1511, the Governing Council and its ministers are the principal bodies of the Iraqi interim administration, which, without prejudice to its further evolution, embodies the sovereignty of Iraq during the period of transition, and that, consistent with Resolutions 1483 and 1511, these bodies have the authority to carry out the functions and responsibilities set forth in this Regulation. Any additional authority the CPA has with respect to such functions and responsibilities is hereby delegated to the Governing Council, for further delegation as it deems appropriate, consistent with this Regulation.

Section 7
Effect on Other CPA Regulations

To the extent this Regulation is inconsistent with CPA Regulation Nos. 1, 5, and 6, the provisions of this Regulation prevail.

Section 8
Entry into Force

This Regulation shall enter into force on the date of signature.



L. Paul Bremer III, Administrator
Coalition Provisional Authority