6/23/03
Prog Review Board
Order

(20)

COALITION PROVISIONAL AUTHORITY REGULATION NUMBER 3

PROGRAM REVIEW BOARD

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

Noting the letter of May 8, 2003 from Permanent Representatives of the United States of America and the United Kingdom of Great Britain and Northern Ireland to the President of the United Nations Security Council (S/2003/538),

Underscoring that the Development Fund for Iraq shall be used in a transparent manner to meet the humanitarian needs of the Iraqi people, for the economic reconstruction and repair of Iraq's infrastructure, for the continued disarmament of Iraq, and for the costs of Iraqi civilian administration, and for other purposes benefiting the people of Iraq,

Reaffirming that the CPA is committed to ensuring that all state- or regime-owned cash, funds or realizable securities that have been seized by Coalition Forces in Iraq consistent with the laws and usages of war, shall be used only to assist the Iraqi people and support the reconstruction of Iraq,

Noting that paragraph 8 of Resolution 1483 (2003) requests the Secretary General to appoint a Special Representative for Iraq whose responsibilities include, in coordination with the Authority, assisting the people of Iraq,

I hereby promulgate the following:

Section 1
Establishment

There is hereby established as a part of the CPA an entity to be known as the Program Review Board ("Board"). The Board shall report directly to the Administrator of the CPA ("Administrator"). The Board shall carry out its responsibilities, as defined in this Regulation, in a manner consistent with the CPA's obligation to ensure that funds available to the CPA for providing relief to, and the recovery of Iraq are managed in a transparent manner and consistent with applicable law, for and on behalf of the Iraqi people. In addition, the Board shall, when and to the extent appropriate, consult the Iraqi interim administration referred to in paragraph 9 of Resolution 1483 (2003), and shall seek every opportunity to further the CPA's objective of gradually transferring to the

Iraqi interim administration the responsibility of budgeting Iraq's financial resources. This Regulation establishes the procedures applicable to the Board's operations.

Section 2
Responsibilities

1) Administrator of the CPA (Administrator). Acting on behalf of the CPA, oversees and controls the establishment and operations of the Board, for and on behalf of the Iraqi people, and takes final action on budgets proposed by the Board as he determines to be for the benefit of the people of Iraq, consistent with Resolution 1483 (2003) and applicable laws and regulations. Directly supervises the Chairman of the Board.

2) Council for International Coordination. Advises the Board on matters relating to international efforts to assist the people of Iraq in the relief, recovery and development of their economy, including proposing specific projects for funding consideration; coordinating technical assistance programs and other donor activities; encouraging the global donor community to participate in this effort by contributing to Iraq relief and recovery efforts; providing the Board with information regarding the nature and scope of international assistance to Iraq; and, as requested, making recommendations to the Board with regard to disbursements from resources available for the relief and recovery of Iraq.

3) International Advisory and Monitoring Board of the Development Fund for Iraq ["IAMB"]. Advises the Board on matters relating to external audit processes, financial reporting and internal control systems of the Development Fund for Iraq.

Section 3
Chairman of the Board

The Administrator shall appoint a Chairman of the Board, who shall preside over all sessions of the Board, resolve all administrative matters relating to the execution of this Regulation, cast the deciding vote in any matter on which the votes of the Board's members are tied, forward to the Administrator all proposed actions on behalf of the Board, and represent the Board in communications with individuals and entities outside the CPA. The Chairman shall report directly to the Administrator.

Section 4
Membership of the Board

The Board shall consist of the Chairman and the following voting and nonvoting members, and such other voting or nonvoting members as the Administrator may appoint, consistent with the objective of furthering meaningful representation of the Iraqi people

and the Iraqi interim administration in the process of developing budgets for the relief and recovery of Iraq.

1) Voting members. The following members, or their designees, shall attend formal sessions of the Board and vote on matters properly brought before the Board.

Chairman
Director, Economic Policy
Director, Civil Affairs Policy;
Director, Agency for International Development, Iraq mission;
Director, Operations;
Director, Security Affairs;

Authorized representatives of:
Commander of Coalition Forces
Iraqi Ministry of Finance
United Kingdom
Australia
Chairman, Council for International Coordination

a. When taking action on any matter directly relating to the disposition of funds appropriated by the U.S. Congress, the voting membership of the Board also shall include authorized representatives of the U.S. Department of Defense, U.S. Department of Treasury and U.S. Department of State. With approval of the Administrator, a CPA Director who serves as a voting member may serve concurrently as an authorized representative of the U.S. Departments of Defense, Treasury or State.

b. The authorized representatives of the Iraqi Ministry of Finance, United Kingdom, Australia and Chairman, Council for International Coordination, who otherwise serve as voting members of the Board, shall serve as nonvoting members when the Board is taking actions as described in subsection 4 (1)(a), above.

2) Nonvoting members. The following members of the Board, or their designees, and such other members as the Administrator may designate, are authorized to attend all formal sessions of the Board:

CPA Comptroller
CPA General Counsel
Program Coordinator of the Board

Authorized representative of:

U.S. Office of Management and Budget
U.S. Office of the Secretary of Defense
International Monetary Fund
World Bank
U.N. Special Representative of the Secretary General for Iraq
International Advisory and Monitoring Board

Section 5
Program Review Committee and Staff

The Chairman of the Board shall establish a Program Review Committee and a staff to assist the Board in carrying out its responsibilities under this Regulation. The Board's staff shall be headed by a Program Coordinator, who shall also serve as Chairman of the Program Review Committee and a nonvoting member of the Board.

1) Program Review Committee (PRC). The PRC shall be composed of individuals appointed by the Chairman of the Board, and should include representatives of the Coalition allies, the Council for International Coordination and the Iraqi Interim Administration (when established), and two nonvoting observers representing the International Auditing and Monitoring Board and the U.N. Special Representative of the Secretary General for Iraq. The PRC shall initially review all funding requests for which the PRB is responsible, categorize them, and make recommendations to the Board with respect to the priority, source of funding, and manner of executing the requirements. The PRC shall perform such other functions as the Chairman of the Board may direct.

2) Staff. Under the direction of the Program Coordinator, the Board's staff shall:

   (a) Distribute procedures to all CPA staff elements and other non-CPA entities regarding the process for submitting funding requests;

   (b) Create and maintain a database of all funding requests;

   (c) Monitor and account for balances of all available funds subject to budgeting by the Board under this Regulation;

   (d) Receive all funding requests and assist proponents as necessary to ensure that applications contain all necessary information;

   (e) Ensure that all spending requirements have undergone prior review at the regional or ministerial level prior to submission;

(f) Ensure that spending requests are fully consistent with a comprehensive budgetary framework;

(g) Distribute copies of all spending requirements and related information to all members of the Board for consideration;

(h) Coordinate with proponents regarding any requests by the Board for additional information;

(i) Organize and prepare materials for sessions of the Board;

(j) Create, maintain and distribute, as appropriate, all official records of the Program Review Committee and the Board.

Section 6
Duties of the Board

1) General. The Board shall be responsible for recommending expenditures of resources from the Development Fund for Iraq and other resources identified in subsection 6 (3) of this Regulation, in a manner that meets the interests of the people of Iraq, furthers CPA's policy objectives, and comports fully with the CPA's stewardship and financial management duties under applicable laws and regulations, including United Nations Security Council Resolution 1483 (2003). The Board shall not be responsible for overseeing the manner in which approved spending requirements are executed.

2) Funding Plan. The Board shall be responsible for reviewing all identified requirements for the resources for which the Board is responsible; prioritizing these requirements; and integrating the prioritized requirements into a funding plan that forecasts available resources, recommends allocations of those resources, consistent with the purposes for which they are lawfully available and the relative priorities of all identified spending requirements; and sets forth the justification for the proposed expenditures and the recommended manner in which the expenditures should be executed (i.e., by contract or otherwise). In performing this function, the Board shall consider relevant information concerning relief and recovery efforts in Iraq and related budgeting documents, including the Iraqi Ministry of Finance budget of Iraqi resources.

3) Resources Subject to Funding Plan. In proposing funding plans for the relief and recovery of Iraq, the Board shall be responsible for recommending disbursements of:

(a) Funds appropriated for such purposes by the U.S. Congress;

(b) Iraqi property lawfully vested in the U.S. Treasury, to the extent that the Secretary of Defense is designated with authority to use such property to assist the Iraqi people and assist in the reconstruction of Iraq;

(c) Iraqi state- or regime-owned cash, funds, realizable securities, or other state- or regime-owned movable property seized in Iraq consistent with the laws and usages of war;

(d) The Development Fund for Iraq.

4) Preparation and Submission of Funding Plans.

(a) Frequency. The Board shall submit funding plans at such times as the Chairman determines necessary to ensure the prompt and effective delivery of resources to Iraq, consistent with a comprehensive budgetary framework for Iraq.

(b) Development. The Board shall, with the concurrence of a majority of voting members, prescribe such procedures as may be necessary to enable the timely preparation of funding plans, including instructions for identifying and submitting spending requirements to the Board for consideration, and procedures for advising the Board of current relief and recovery activities in Iraq.

(c) Content and Format. Funding plans submitted by the Board shall include (i) a description of the amounts available within each source of funding subject to planning by the Board, as identified in Section 6 (3) of this Regulation; (ii) proposed funding requirements for each category of funding, prioritized to reflect the relative importance and urgency of the each such requirement; (iii) a recommendation as to the U.S. executive agency to which any funds appropriated by the U.S. government should be apportioned; and (iv) a recommendation as to the manner in which the prioritized spending requirements should be executed (i.e., by contract or otherwise). The Board shall submit proposed funding plans in a format to be approved by a majority of the Board's voting members.

(d) Consultation with International Financial Institutions ("IFIs"). To ensure that proposed funding plans are developed in view of needs assessments being undertaken by the IFIs, the IFIs should be given an opportunity to consult with the Board and the PRC on projects of significant value.

(e) Approval. All proposed funding plans shall be submitted to the Administrator for approval.

(f) Publication. Approved funding plans shall be published in Arabic and broadly disseminated to the Iraqi people in a form to be prescribed by the Administrator.

5) Execution of Funding Plans. The Board shall propose principles and standards for expending funds for the relief and recovery of Iraq in a fair, consistent and transparent manner, through contracts or otherwise. In developing these proposed principles and standards, the Board shall consider prevailing international standards relating to procurement, including the codes and standards used by international financial institutions. Upon approval by a majority of the Board's voting members, the Chairman shall submit these principles and standards to the Administrator for final approval.

6) In carrying out these functions, the Board shall ensure appropriate coordination with the Special Representative of the Secretary General for Iraq, or his designee(s), in accordance with Resolution 1483 (2003) and, when and to the extent appropriate, shall consult the Iraqi interim administration referred to in paragraph 9 of Resolution 1483 (2003).

Section 7
Board Sessions

1) General. The Board shall meet at such times and in such locations as directed by the Chairman. The Board shall meet in formal session for the purpose of taking official action on any matter within the Board's responsibility, as set forth in this Regulation. At the Chairman's direction, the Board, or any part thereof, may meet in informal session, in order to plan or prepare for formal sessions of the Board, or carry out such other functions as the Chairman may prescribe, in furtherance of the Board's responsibilities.

2) Attendance. Formal sessions of the Board shall be attended by voting and nonvoting members and such other individuals as the Chairman may authorize. Informal sessions of the Board shall be attended by such members and other individuals as the Chairman may direct.

3) Quorum. The Board may take official actions only in formal sessions at which no fewer than seventy percent of the voting members of the Board are present.

4) Minutes. The Recorder of the Board shall prepare written minutes of each formal session of the Board, summarizing the Board's consideration of and action upon all matters brought before it. These minutes shall be made public.

5) Actions Relating to U.S. Government Appropriations. When taking action on any matter directly relating to the disposition of funds appropriated by the U.S. Congress, the voting and nonvoting membership of the Board shall be as prescribed in subsection 4(1) of this Regulation.

Section 8
U.S. Government Contracts and Grants

Nothing in this Regulation shall be construed to affect the validity of any contract or grant entered into by the U.S. Government with respect to relief or reconstruction in Iraq prior to the effective date of this Regulation.

Section 9
Dissolution of the Board

Until the Board is dissolved by the Administrator at the request of an internationally recognized, representative government of Iraq, the Board shall continue to operate in accordance with this Regulation and all other applicable laws, regulations, policies and agreements.

Section 10
Administrative Procedures

The Board may prescribe such additional administrative procedures as may be necessary to carry out its responsibilities under this Regulation. Such procedures shall be effective only upon approval by a majority of the Board's voting members.

Section 11
Entry into Force

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

6/15/03

L. Paul Bremer, Administrator
Coalition Provisional Authority