

Please file "Finance" Memo
1 Copy to Mr. Freund

Serial No: 03-011

July 8, 2003

10

Senior Ministry Advisor
Coalition Provisional Authority

Dear Senior Advisor:

Enclosed is the budget for your ministry for the remainder of Fiscal Year 2003 and instructions for accessing and expending amounts available in July.

Authorized funds will be made available after the following steps have been completed:

1. Each Ministry must send a single account manager to the Ministry of Finance Computer Center with a written estimate of the amounts required by budget section for each Department in Baghdad and the Governorate (two copies). Please use the attached sheet to display the information. Only twenty percent of the amount authorized for the remainder of 2003 will be available in July.

(Please note that the distribution of funding by Governorate that several advisors already submitted is sufficient for moving currency only. A more detailed accounting is required before funds can be made available.)

2. In those instances where a Ministry has not yet submitted a budget request to the Ministry of Finance, the account manager must bring a copy for review. Appropriate officials at the Ministry of Finance have the opportunity through July 31, 2003 to propose changes to the budget that do not increase total outlays based on these submissions and other information. Changes must be approved by the Ministry of Finance Senior Advisor and will be published.

The Ministry of Finance will issue a letter to the appropriate financial institutions making funds available to your Ministry. Your representative should return to the Ministry of Finance to obtain a signed copy of this letter and the spending plan. Ministry officials are encouraged to bring a copy of these documents when attempting to withdraw funds.

Funds shall be spent for authorized purposes only and in a manner consistent with the enclosed instructions and, where consistent, existing Iraqi accounting and budget law. These statutes require in part that only the Minister of Finance can transfer funds between budget sections. Requests must be submitted in writing to the Minister of Finance.



Senior Advisor to the Ministry of Finance
Coalition Provisional Authority

Encl: Ministry Budget for 2003
Budget Allocation by Governorate
Budget Execution Procedures for July

cc: Peter McPherson
Al Runnels



05322

Ministry of Justice (Prisons)

This funding:

\$US1:ID1500

A credible prison service is a vital component in the provision of security and the administration of justice in Iraq. This funding will provide pre and post trial facilities for adults and juveniles which will treat all prisoners with decency and fairness.

\$USm

	Actual 2002 (Half Year)	Jul-Dec Proposal 10,150	Jul-Dec Approved 2003 10,150
Number of employees			
Expenditure			
Operating expenditure	0.0	6.3	6.3
Capital Expenditure	0.0	21.9	21.9
Revenues			
Operating expenditure			
Staff expenditure		4.9	4.9
Service requirements		0.0	0.0
Goods requirements		6.3	6.3
Assets maintenance		0.0	0.0
Capital expenditure		0.0	0.0
Transferred expenditure		0.0	0.0
Foreign obligations		0.0	0.0
Special programmes		0.0	0.0
Salaries + retirement awards		0.0	0.0
Total (excluding salaries)	0	6.3	6.3
Capital expenditure			
Estimated Reconstruction authorised or requests pending		5.5	5.5
Additional Capital Expenditure Required for Reconstructions		7.0	7.0
Start Up costs to re-equip prisons		9.4	9.4
Total		21.9	21.9
<i>incl. reconstruction</i>		21.9	21.9

No provision has been made for the employment of security guards

The cost of reconstruction for 2003 is based on a programme to open and operate 12 detention centres and prisons by the end of the year housing 11,278 inmates.

It is anticipated that Iraq will eventually require accommodation for up to 30,000 prisoners.

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Ministry of _____
 Department of _____

Budget Allocation by Governorate (Ft)
 July-03

Governorate/Section	1 Recurrent Expenditure	2 Capital Expenditure	3 Assets Maintenance	4 Capital Expenditure (Investing)	5 Transferred Expenditure	Capital Expenditure (non Invest)	Total
Baghdad							
Basrah							
Minawa (Sulay)							
Arbil (Rasheed)							
Azbi							
Babylon (Hiba)							
Diala (Baqruba)							
Dutuk							
Karbala							
Misra (Emara)							
Muthann (Sawana)							
Najaf							
Qadisiya (Dhanya)							
Salah Al-Jain (Tahir)							
Bahalmanya							
Tarbia (Karkak)							
Thiqar (Hassanya)							
Wasit (Kad)							
Total							

BUDGET EXECUTION PROCEDURES FOR JULY 2003

Baghdad

To enable Ministries to meet their approved expenditures, operational and capital, during July, the Ministry of Finance will open two new bank accounts (one Dollar, one Dinar) for each Ministry and government owned enterprise at one of the four banks currently utilized for salary payments.

The Ministry of Finance will transfer dollars to the various accounts based on a request from the Ministry including an estimate of expenditures in Baghdad necessary for that Ministry.

On request by the Ministry, the bank holding the account may convert up to 25% of the allocation in dollars for July into Dinars, subject to the availability of Dinars. The exchange rate used for conversion will be the rate set for the previous day by the Central Bank. Only 10,000 Dinar notes will be available for these accounts.

A fee to be charged by the bank for converting Dollars to Dinars shall be negotiated by the Ministry of Finance and shall be subject to approval by the CPA Senior Advisor to the Ministry of Finance. If Dinars are not available, Dinar denominated obligations entered into by Ministries will be settled in US Dollars calculated using the exchange rate set for the previous day by the Central Bank. All suppliers to the Government of Iraq must accept payment in US Dollars at the discretion of the Government.

Ministries and state owned organizations and enterprises are authorized to manage the disbursement of money for approved expenditures from the respective accounts.

Neither individual Ministries nor state owned organizations and enterprises in Iraq may open their own accounts or operate on their old accounts, including sub-accounts, except with the approval in writing of the CPA Senior Advisor to the Ministry of Finance.

Governorate

Treasury accounts (one Dollar, one Dinar) shall be opened at a single bank in each governorate from which all government expenditures will be disbursed for all Ministries and government owned organizations operating in that governorate. Each Ministry shall advise the Ministry of Finance of estimated budget funding needs in each Governorate. These estimates shall serve as the spending limits of Ministry operations in the Governorate.

It will be the responsibility of each Ministry to provide appropriate documentation, according to an instruction from the Ministry of Finance, to the Governorate Treasury office and disbursement will be made by the Treasury to satisfy legitimate obligations.

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Petty Cash

A Ministry or State Owned organization or enterprise may request the Ministry of Finance to open a petty cash account for their operations in Baghdad or in a Governorate. The limit on the amount to be maintained in the account shall be determined by the Ministry of Finance.

Please file - Memo Out Finance ✓

To:-

[redacted] and [redacted]
Senior Advisors.
Ministry of Finance

cc

[redacted] ✓

From:-

[redacted]
Financial Advisor
Prison Department
Ministry of Justice

Date 30 June 2003

Payment of May June Salaries to Prison Department, Ministry of Justice

Purpose of Minute

To seek assistance in the payment of May June salaries to staff that were previously employed in the Directorates of Adult Prisons and Juvenile Prisons both of which were part of the Ministry of Labour and Social Affairs (MLSA), and who have been transferred to the Prison Department, Ministry of Justice (MoJ).

Timing

Urgent - we wish to pay salaries on Thursday 3 July 2003.

Background

Coalition Provisional Authority Order 10 entitled *Management of Detention and Prison Facilities* dated 5 June 2003 transfers the authority over all prisons and detention centres from the MLSA and the Ministry of Interior to the Ministry of Justice.

The MLSA has transferred responsibility of the payments of it's former staff to the MoJ. At present the Ministry of Interior is continuing to pay staff that will eventually be assumed by the MoJ.

This has not been an easy transition. The audit committees of the Directorates of Adult Prisons and Juvenile prisons have signed the wage summaries, they have been countersigned by Judge Campbell (Senior Advisor to the MoJ) and Mr Gazy Al Janabee (Director General of Administration MoJ) I understand that the payrolls and summaries are to be submitted to the Ministry of Finance by today at the latest.

I attach a copy of CPA Order 10 and would be obliged if you would bring it to the attention of the appropriate staff in your Ministry to assist in the transfer of responsibility for the payment of wages. Any additional advice regarding Ministry of Finance issues that need to be addressed would be most welcome.

[redacted]

COALITION PROVISIONAL AUTHORITY ORDER NUMBER 10

MANAGEMENT OF DETENTION AND PRISON FACILITIES

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 Resolution 1483 (2003),

Recognizing the urgent necessity to ensure safe and humane prisons in order to re-establish law and order and provide for the safety of the people of Iraq,

I hereby promulgate the following:

Section 1

Authority Over Detention and Prison Facilities

Full authority and control over all detention and prison facilities, currently exercised by the Ministry of Labor and Social Affairs and the Ministry of Interior, is hereby vested in the Ministry of Justice. The Directorate of Adult Prisons and the Directorate of Juvenile Prisons in the Ministry of Labor and Social Affairs, all facilities under their authority, and all employees thereof, are hereby transferred to the Ministry of Justice.

Section 2

Interagency Cooperation

The Ministry of Labor and Social Affairs, the Ministry of Interior, and the Ministry of Justice, and all other relevant elements of government, shall cooperate in this effort. The Ministry of Justice, under the authority, direction and control of the Administrator of the CPA, may prescribe any administrative procedures necessary to ensure a properly coordinated transfer of the detention and prison facilities in accordance with this Order.

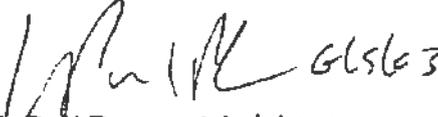
Section 3

Prison and Detention Facility Standards

There shall be promulgated pursuant to this Order an Implementing Memorandum that will set out fundamental standards applicable to the operation of all prison and detention facilities under the authority of the Ministry of Justice.

Section 4
Entry into Force

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


L Paul Bremer, Administrator
Coalition Provisional Authority

original sent 19th July 2003.

Please file ①. General HQ.
②. Adult Commissions.

**To/ Mr. Hameed Jabour Aboud
Temporary officer in charge
Iraqi Correctional Department – Juveniles**

***Collection of all vehicles belonging to the Iraqi Correction
Department – Juveniles .***

Your are directed to obtain all the vehicles belonging to the juveniles department and keep them in the head quarters at Dawoodie .

All drivers should comply with this instruction to deliver their vehicles to Dawoodie and leave them until further ordered.

Drivers fail to comply with this instruction , will be considered as having stolen their vehicles . They will be reported to the police and arrested . They will also be dismissed.

If a driver who has a vehicle in his possession reports it stolen after you have seen it in his possession , he will be dismissed and be required to pay the full cost of replacing the stolen vehicle .

Please ensure that this instruction is completed by 25, July, 2003



**Financial Advisor
Iraqi Correctional Department
Ministry of Justice
Coalition Provisional Authority**

[The text on this page is extremely faint and illegible. It appears to be a list or a series of entries, possibly a table of contents or a list of references, but the specific content cannot be discerned.]

\$ 232,939.00 PETTY CASH

\$ 5,000.00 Switch Movement
\$ 15,000.00 Chain Link
\$ 18,400.00 Generator
\$ 50,000.00 Bunks
\$ 12,000.00 Wall Around Death House
\$ 25,800.00 Kitchen: Al-Tasferat
\$ 4,000.00 Bunks
\$ 18,400.00 Power and water supply
\$ 1,000.00 Hameed: stools
\$ 5,100.00 Swamp Coolers, Al Tasferat

\$ 154,700.00

\$ 78,239.00

Please file "Finance"

2003 INTERIM BUDGET REQUEST

PRISON DEPARTMENT

MINISTRY OF JUSTICE

STEADY STATE REQUEST

AMENDED OPERATING AND START UP COSTS



26 JUNE 2003

Form No (2)

Estimation of Expenditures According to the Sections

u

Part
Department
Section

Thousand Dinar

Section	Title	Actual Expenditures for 2002 MLSA (A)				Expected for 2003			Agreed on
			Estimate for Ministry of Interior 2002 @75% MLSA	Estimated Total for Prison Dept for 2002	Pro Rata Split for 7months 2003	Total anticipated Running Costs 2003	Total of Additional Requirements B	Suggested from the office A+B	
	Number of Employees	10150					10,150	10150	
1	Staff Expenditures	Not Known							
2	Service Requirements	121,352,200	91,014,150	212,366,350	123,880,371				
3	Goods Requirements	1,780,880,000	1,320,510,000	3,081,190,000	1,797,380,833				
4	Assets Maintenance	1,323,000,000	992,250,000	2,315,250,000	1,350,562,500				
5	Capital Expenditures								
6	Transferred Expenditures								
7	Foreign Obligations								
8									
9	Salaries & Retirements' rewards								
	Total	3,205,032,200	2,403,774,150	5,608,806,350	3,271,803,704	9,314,843		9,314,843	

The Total Anticipated Running Costs of ID 9,314,843,000 (US\$6,253,166) is based on an opening programme for 14 prisons and detention centre in 2003 that includes wages per attached schedule

An additional ID14,029,533,000 is required for start up costs on the sites selected for reactivation

Prison Department
Ministry of Justice
Prison and Detention Centre Opening Programmes for 2003
Excludes Cost of Wages

	Sees	Initial Cost per prisoner	Prison Officers	Initial Cost per Prison Officer	General Equipment	Total Set Up Costs	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Total Recurring Costs	Total Incurred except Renovations
Observation House - Mosul	112	25,312	37	2,278	367,580	395,168	36,058	36,058	36,058	36,058	36,058	36,058	36,058	252,413	647,581
Al Sahiyah - Baghdad	100	22,800	20	1,230	367,580	381,410	33,420	33,420	33,420	33,420	33,420	33,420	33,420	233,840	625,350
Al Meqat - Basrah	300	67,800	100	6,150	367,580	441,530	58,900	58,900	58,900	58,900	58,900	58,900	58,900	412,300	659,630
Al Tafarat - Baghdad	300	67,800	114	7,011	367,580	442,391	60,174	60,174	60,174	60,174	60,174	60,174	60,174	421,218	663,609
Rusafa - Baghdad	416	94,016	27	1,861	367,580	463,257	62,813	62,813	62,813	62,813	62,813	62,813	62,813	439,661	902,848
Al Hilah - Al Hilah	750	189,300	150	9,225	367,580	548,303	104,400	104,400	104,400	104,400	104,400	104,400	104,400	730,800	1,277,165
Badush Phase 1 - Mosul	2,000	452,000	400	24,800	735,160	1,211,780				240,800	240,800	240,800	240,800	863,600	2,175,360
Al Kadmya - Baghdad	400	90,400	80	4,920	367,580	482,900				88,180	88,180	88,180	88,180	284,720	727,820
Abu Gharb Phase 1 - Baghdad	800	135,800	120	7,380	367,580	510,580				88,020	88,020	88,020	88,020	352,080	862,840
Al Karhi - Baghdad	360	79,100	70	4,305	367,580	450,985				60,720	60,720	60,720	60,720	242,880	693,585
Al Hakama - Baghdad	300	67,800	60	3,880	367,580	438,070				55,260	55,260	55,260	55,260	221,040	660,110
Badush Phase 2 - Mosul	1,750	395,500	350	21,525	643,265	1,060,290							213,600	213,600	1,273,890
Abu Gharb Phase 2 - Baghdad	2,700	610,200	540	33,210	862,466	1,638,876							317,340	317,340	1,953,216
Military Barracks - Basrah	1,200	271,200	150	9,225	441,098	721,521							145,350	145,350	886,871
	11,278	2,546,828	2,218	136,407	6,467,787	9,173,022	355,766	355,766	355,766	366,846	366,846	366,846	1,507,077	5,210,872	14,383,864
Headquarters Expenses 20% of recurring costs					180,000	180,000	71,163	71,163	71,163	173,369	173,369	173,369	301,415	1,042,194	1,222,184
Totals US\$	11,278	2,546,828	2,218	136,407	6,667,787	9,353,022	426,919	426,919	426,919	1,040,215	1,040,215	1,040,215	1,808,492	6,253,066	15,606,048
Inq. Dinars (000's) US\$1=ID1500		3,823,242		204,611	10,001,681	14,029,533	640,378	640,378	640,378	1,560,323	1,560,323	1,560,323	2,712,738	9,314,843	23,344,376
Assumption in start up costs															
Each prison or detention centre will require general equipment of at least \$367,580 for 1000 prisoners and below. For prisons with larger populations there will be a proportionate increase															
The initial cost is \$228 per prisoner, and \$61.15 per prison officer.															
Prison officers establishment based on 20% of prisoners or actual where known															
Assumptions in Operating Costs															
The Fixed costs per month are \$22,500 per month for 1000 prisoners and below. For prisons with larger populations there will be a proportionate increase															

Goods - Water, sewage, electricity, food, medicines
FORAGE for animals

Service -

Prison Department
Ministry of Justice
Initial Budget (US\$) for July 2003 to December 2003

	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Total Budget
FOOD	110,400	110,400	110,400	110,400	110,400	110,400	662,400
ELECTRICITY & WATER	5,000	5,000	5,000	5,000	5,000	5,000	30,000
MEDICAL	5,000	5,000	5,000	5,000	5,000	5,000	30,000
HYGIENE	7,500	7,500	7,500	7,500	7,500	7,500	45,000
MAINTAINANCE	1,000	1,000	1,000	1,000	1,000	1,000	6,000
VEHICLES	1,000	1,000	1,000	1,000	1,000	1,000	6,000
OFFICE SUPPLIES	1,000	1,000	1,000	1,000	1,000	1,000	6,000
RENEWABLES FOR PRISONERS	2,000	2,000	2,000	2,000	2,000	2,000	12,000
WAGES	20,000	20,000	20,000	20,000	20,000	20,000	120,000
Monthly Total	152,900	152,900	152,900	152,900	152,900	152,900	917,400
Fixed Costs Per month up to 1000 prisoners	22,500	22,500	22,500	22,500	22,500	22,500	135,000
Assuming Total Prison Population of 30,000 and 2003 prison population of 11,278 there is a need for another 18 prisons holding 1,000 each							
<u>Current Costs</u>	<u>One Prison / DC</u>	<u>Eighteen Prison / DC</u>	<u>Costs of prisons in 2003 Programme</u>				
Initial Start Up costs	614,730	11,065,140	9,251,328				
Total operating costs	1,834,800	33,026,400	5,274,705				
HQ Costs (20%)	366,960	6,605,280	1,054,941				
	<u>2,816,490</u>	<u>50,696,820</u>	<u>15,580,974</u>				
Start Up and Operating Costs (assuming inflation 10%) for the period 1 June 2003 to 31 December 2007							
		Start Up Costs	Total Operating Costs		Total		
Year 1	2003	9,251,328	6,329,646		15,580,974		
Year 2	2004	12,171,654	22,536,792		78,303,294		
Year 3	2005		43,594,848		72,744,804		
Year 4	2006		47,954,333		80,019,284		
Year 5	2007		52,749,766		88,021,213		
		<u>21,422,982</u>	<u>202,323,690</u>		<u>334,669,569</u>		

Prison Department
Initial Start up Costs

	Quantity	Unit Cost	Total	Cumulative Total
Prisoners Equipment				
Beds and mattresses	1,000.00	130	130,000.00	130,000.00
Pillows and sheets	2,000.00	6	12,000.00	142,000.00
Towels	2,000.00	2	4,000.00	146,000.00
Personal Hygiene	1,000.00	7	7,000.00	153,000.00
Food Issue	15,000.00	3	45,000.00	198,000.00
Prisoners Uniforms	2,000.00	14	28,000.00	226,000.00
Officers Equipment				
Shoes	1,000.00	15	15,000.00	15,000.00
Shirts	3,000.00	6	18,000.00	33,000.00
Guards Trousers	2,000.00	12	24,000.00	57,000.00
Guards Military Belts	1,000.00	2	2,000.00	59,000.00
Guards Holsters	100	5	500	59,500.00
Hand Torches	300	5.5	1,650.00	61,150.00
General Equipment				
Office Furniture Metal	10	120	1,200.00	1,200.00
Desks	20	200	4,000.00	5,200.00
Office Chairs for desks	20	80	1,600.00	6,800.00
Office chairs general	60	50	3,000.00	9,800.00
Filing Cabinets	10	160	1,600.00	11,400.00
Airconditioners	10	600	6,000.00	17,400.00
Water dispensers	10	160	1,600.00	19,000.00
Ceiling Fans	10	30	300	19,300.00
General office stationery	1	1,000.00	1,000.00	20,300.00
Prisoners books and journals	100	20	2,000.00	22,300.00
Computer	2,000.00	2	4,000.00	26,300.00
Computer printer	2	200	400	26,700.00
Digital Camera	2	200	400	27,100.00
Tea and coffee maker	4	25	100	27,200.00
Security Equipment - H	200	50	10,000.00	37,200.00
Batons	200	5	1,000.00	38,200.00
Emergency Food & Water	10,000.00	3	30,000.00	68,200.00
Control & restraint equipment	200	300	60,000.00	128,200.00
Safe	2	500	1,000.00	129,200.00
Gunsafe	4	400	1,600.00	130,800.00
Tools for maintenance	1	2,000.00	2,000.00	132,800.00
Maintenance materials	1	1,000.00	1,000.00	133,800.00
Overall	20	14	280	134,080.00
knives forks & spoons	1,000.00	6	6,000.00	140,080.00
Medical costs	1	30,000.00	30,000.00	170,080.00
Recreation equipment	1	1,000.00	1,000.00	171,080.00
Blankets	500	5	2,500.00	173,580.00
Kitchen equipment	1	10,000.00	10,000.00	183,580.00
Prisoners lockers	600	20	12,000.00	195,580.00
Furniture for visiting room	1	5,000.00	5,000.00	200,580.00
2 pickups	2	25,000.00	50,000.00	250,580.00
Radio Equipment	40	300	12,000.00	262,580.00
Telephone Equipment	1	5,000.00	5,000.00	267,580.00
Emergency Generator	2	50,000.00	100,000.00	367,580.00
Total Estimated Start Up Costs for Detention Centre or Prison holding 1				654,730.00

Table 5
Total Cost, Annual Allocation and Previous Year Expenditures
 US\$

Year	Details	Total Cost	Annual Allocation	Final Expenditure
1	According to Provisional Studies			
2	First Year	9,353,022		
	Renovation of remaining facilities for 2003 plan	7,000,000		16,353,022
3	Second Year	12,171,654		12,171,654
4	Third Year			
5	Fourth Year			

Iraqi Dinar
(000's)

Year	Details	Total Cost	Annual Allocation	Final Expenditure
1	According to Provisional Studies			
2	First Year	24,529,533		23,470,533
3	Second Year	18,257,481		18,257,481
4	Third Year			
5	Fourth Year			

The set up costs relate to reequipping prisons and detention centres. It is anticipated that at least a further **Additional Funding for rebuilding the remaining prisons in 2003 is likely to amount to US\$7**

Insufficient information

According to the Juvenile Corrections Directorate 6,862,400,000 Dinars have been allocated for the

The Department of Internal Security had a contract to build a new facility at the site of Al Karhk, Baghdad

7,000

Ministry of Finance

From

[Redacted]

Administration Advisor

Room S103

Prison Department

Ministry of Justice

Tel 191 4360 7843

X5801

22 June 2003

2003 Interim Budget Request

I am sorry for the late submission of this request.

The Prison Department is a new department in the Ministry of Justice formed on 3 June 2003. It has therefore not been possible to obtain to obtain all the information to provide a comprehensive budget in the limited time available.

I regret that I cannot submit the budget by electronic means as we do not have access to the internet in our department, and there have been problems in reproducing documents on disk.

[Redacted]

IRAQ CORRECTION SERVICES
MINISTRY OF JUSTICE
PROVISION COALITION AUTHORITY

CONTRACT FOR THE PROVISION OF

THIS CONTRACT IS BETWEEN

IRAQ CORRECTIONAL SERVICES, A DEPARTMENT OF THE MINISTRY OF JUSTICE (HEREIN AFTER REFERRED TO AS THE ICS)

AND Ali rjee mazed. id no 140393
Baghdad Al shaab - Sector 313 street 6 house 0 ^{phone} (7631264)

(HEREIN AFTER REFERRED TO AS THE CONTRACTOR)

The contractor will provide the ICS :-	US \$1
200 mattresses @ \$ US 11.00	2200.
400 Covers for mattresses US\$ 4.5	1800.
200 Pillows @ US\$ 2.25	450
400 covers @ US\$ 2.00	800
	<u>5250</u>

Such items to be provided to the same specifications as the sample provided to the ICS and to be delivered to Al Taserat Detention Centre within 7 days of the date of this contract.

If goods are not delivered or to the standard specified then this contract ~~will be cancelled.~~



ADMINISTRATIVE ADVISOR ICS

19 June 2003

19 June 2003

THE CONTRACTOR

A deposit of US \$1,000 is given to the contractor

50

IRAQ CORRECTION SERVICES
MINISTRY OF JUSTICE
PROVISION COALITION AUTHORITY

CONTRACT FOR THE PROVISION OF

THIS CONTRACT IS BETWEEN

IRAQ CORRECTIONAL SERVICES, A DEPARTMENT OF THE MINISTRY OF JUSTICE (HEREIN AFTER REFERRED TO AS THE ICS)

AND Ali Rjee Majeed (Id No 140393) Baghdad Al Shaab
Sector 313, Street 6, House 5 (phone 7631264)
(HEREIN AFTER REFERRED TO AS THE CONTRACTOR)

The contractor will provide the ICS with the following:-

 ⁴⁰⁰ ~~200~~ Sheets @ \$4.5 = \$1800

Such items to be provided to the same specifications as the samples provided to the ICS and to be delivered to the Al Tashraf Detention Centre within 7 days of this contract.

If the goods are not delivered or are to the standard specified then this contract will be cancelled.



ADMINISTRATIVE ADVISOR ICS

19 June 2003

THE CONTRACTOR

Prison Department
Ministry of Justice
Provisional Coalition Authority

Contract for the Provision of Mattresses, Pillows
covers and sheets

This contract is between the
Prison Department, A Department of the Ministry
of Justice

And

Ali Rjee Majeed (Id No 140393) Baghdad Al Shaab,
Sector 313, Street 6, House 5 (Phone 7631264)
(Herein referred to as the contractor)

The contractor will provide the Prison Department
with the following: -

Mattresses	1300 @ \$10	=	13,000
Matress covers	2600 @ \$4	=	10,400
Sheets	2600 @ \$4	=	10,400
Pillows	1300 @ \$2	=	2,600
Pillow Cover	2600 @ \$18	=	4680

\$41,080.

Prison Department
Ministry of Justice
Provisional Coalition Authority.

2/2

2. The contractor will provide such items to the same specifications as the samples provided to the Prison Department, otherwise this contract will be cancelled.
3. The contractor will provide the following in each of the next two weeks:-

500 mattresses
1000 mattress covers
1000 sheets
500 pillows
1000 pillow covers.

The balance is to be provided in the third week from the date of this contract to be delivered to such addresses as specified by the Prison Department.

4. If this contract is accepted then a deposit of \$5,000 will be paid



Financial Adviser - Prison Department
Minister of Justice





**COALITION PROVISIONAL AUTHORITY
BAGHDAD**

30 November 2003

To Whom It May Concern,

GHAEER I. M.ABDEL JAWED of MOSTSRYA, SECTION 504, LINE 30, HOUSE 9, BAGHDAD

Ms Jawed was appointed the Catering Contractor to the Iraqi Correctional Service on 18 June 2003.

Her contract was to provide meals to prisoners and guards at a detention centre in Baghdad. The contract was later expanded to provide the same services to four other facilities and meals for trainee prison officers. Latterly her business was providing approximately 2,900 meals on a daily basis at the prison facilities alone. She also provided meals for approximately 150 students when necessary.

Ms Jawed was required to provide food that complied with minimum nutritional standards and were prepared in accordance with accepted hygienic standards. She was also responsible for the employing the catering staff and ensuring that they complied with the security requirements of the facilities.

Ms Jawed has provided an excellent service to the Iraqi Correctional Service. She has fulfilled her contract in the most difficult circumstances caused by power cuts and water shortages, notwithstanding the problems of working in a prison environment. Ms Jawed has been flexible in responding to the demands of an expanding prison service, and has managed her staff well. The food has been well received by prisoners and staff alike.

Unfortunately Ms Jawed chose to terminate her contract on 26 November 2003 despite my request for her to continue.

In my dealings with Ms Jawed I have found her to be hardworking, honest and reliable. She has proved herself to be very capable and I would recommend her as a suitable person with whom to do business.

[Redacted Signature]

Finance & Business Advisor
Prison Department
Ministry of Justice



**COALITION PROVISIONAL AUTHORITY
BAGHDAD**

30 November 2003

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Finance & Business Advisor
Prison Department
Ministry of Justice

IRAQ CORRECTION SERVICES
MINISTRY OF JUSTICE
PROVISION COALITION AUTHORITY

CONTRACT FOR THE PROVISION OF

THIS CONTRACT IS BETWEEN

IRAQ CORRECTIONAL SERVICES, A DEPARTMENT OF THE MINISTRY OF JUSTICE (HEREIN AFTER REFERRED TO AS THE ICS)

AND Ali rjee mazed. id no 140393
Baghdad Al shaab - sector 313 street 6 house 0 phone (7631264)

(HEREIN AFTER REFERRED TO AS THE CONTRACTOR)

The contractor will provide the ICS :-	US \$
200 mattresses @ \$ US 11.00	2200.
400 Covers for mattresses US\$ 4.5	1800.
200 Pillows @ US\$ 2.25	450
400 covers @ US\$ 2.00	800
	<u>5250</u>

Such items to be provided to the same specifications as the sample provided to the ICS, and to be delivered to Al Tasferat Detention Centre within 7 days of the date of this contract.

If goods are not delivered or to the standard specified then this contract ~~will be cancelled.~~

[Redacted Signature]

ADMINISTRATIVE ADVISOR ICS

19 June 2003

19 June 2003

THE CONTRACTOR

A deposit of US \$1000 is given to the contractor
The balance to be paid on delivery

[Redacted Signature]

19 June 2003

19

[Redacted Signature]

50

IRAQ CORRECTION SERVICES
MINISTRY OF JUSTICE
PROVISION COALITION AUTHORITY
CONTRACT FOR THE PROVISION OF

THIS CONTRACT IS BETWEEN

IRAQ CORRECTIONAL SERVICES, A DEPARTMENT OF THE MINISTRY OF JUSTICE (HEREIN AFTER REFERRED TO AS THE ICS)

AND Ali Rjee Majeed (Id No 140393) Baghdad Al Shaab
Sector 313, Street 6, House 5 (phone 7631264)
(HEREIN AFTER REFERRED TO AS THE CONTRACTOR)

The Contractor will provide the ICS with the following:-

⁴⁰⁰~~200~~ Sheets @ \$4.5 = \$1800

Such items to be provided to the same specifications as the samples provided to the ICS and to be delivered to the Al Tazewal Detention Centre within 7 days of this contract.

If the goods are not delivered or are to the standard specified then this contract will be cancelled.

ADMINISTRATIVE ADVISOR ICS

THE CONTRACTOR

19 June 2003

IRAQ CORRECTION SERVICES
MINISTRY OF JUSTICE
PROVISION COALITION AUTHORITY
CONTRACT FOR THE PROVISION OF

THIS CONTRACT IS BETWEEN

IRAQ CORRECTIONAL SERVICES, A DEPARTMENT OF THE MINISTRY OF JUSTICE (HEREIN AFTER REFERRED TO AS THE ICS)

AND jooma tanesh jaber ID no (1402)
palastaine street - sector 503 street 22 house 9

(HEREIN AFTER REFERRED TO AS THE CONTRACTOR)

The contractor will provide the ICS with the following items: in ~~eur~~

			US\$
450	Shirts @	US\$ 4.50 =	2025.
300	Trousers @	US\$ 5.00 =	1500
150	Hats @	US\$ 3.50 =	525
300			1050
			<u>4050</u>
			<u>\$ 4575</u>

Such items to be provided to the same specifications as the samples already provided to the ICS.

A deposit of \$1000 is payable today the balance on final delivery of all the goods. The first delivery to take place within 7 days, and 7 days thereafter until 99.

[Redacted]

ADMINISTRATIVE ADVISOR ICS

THE CONTRACTOR

19/06/03

all goods are delivered

If the goods are not the standard specified or delivery with the specified times the contract will be cancelled.

Please Turn over.

[Redacted]

**PROGRAM REVIEW BOARD
SEMINAR**

July 26, 2003

Baghdad

Seminar Objectives

- CPA's regional and national programs
- National Budget Process
- Program Management
- Program and Financial Management Responsibilities
- CPA Contracting/Grant Procedures
- Improved coordination

*Better planning, better process, better coordination leads to better programs...
Improving the lives of the Iraqi people*

Administrative Tasks

- Sign In
- Agenda
- Breaks
- Q & A
- Lunch

Overview of
Regulatory Framework
and Funding Sources

CPA
General Counsel

General Authority of the Administrator, CPA

- Responsible for "oversee[ing] the use of USG appropriations in Iraq, as well as Iraqi state- or regime-owned property[.]"
POTUS Appointment Letter, May 9, 2003
- Shall "oversee, direct and coordinate all executive, legislative and judicial functions necessary" to govern Iraq temporarily.
SECDEF Memo, May 13, 2003

Funding Sources

- USG Appropriations
- Vested Iraqi Property
- Seized Iraqi Property
- Development Fund for Iraq
- Contributions

Funding Sources

- USG Appropriations
 - Iraq Freedom Fund
 - Iraq Relief and Reconstruction Fund
 - Natural Resources Risk Remediation Fund

Funding Sources

- Vested Iraqi Property
 - \$1.7 billion vested in U.S. Department of Treasury
 - Available to assist Iraqi people and support the reconstruction of Iraq
 - Secretary of the Treasury has designated Secretary of Defense with authority to use portion of this property

Funding Sources

- Seized Iraqi Property
 - On April 30, 2003, POTUS confirmed SECDEF's authority under international law to seize and use state- or regime-owned cash in Iraq
 - SECDEF has delegated to Administrator the authority to use seized funds
 - Seized funds may be used only to assist the Iraqi people and support the reconstruction of Iraq

Funding Sources

- Development Fund for Iraq
 - Consists of \$1 billion transfer from UN; proceeds from export sales of Iraqi petroleum and gas; frozen funds from previous government of Iraq located in other countries
 - Audited by independent public accountants approved by the International Advisory and Monitoring Board
 - Funds are available for humanitarian assistance, economic reconstruction and repair of infrastructure, disarmament, Iraqi civil administration and other purposes benefiting the Iraqi people.

Stewardship Responsibilities

- Identify, integrate and prioritize requirements for USG appropriations
- Comply with applicable U.S. domestic laws and regulations when expending USG appropriations
- Develop and apply contracting rules that ensure transparency in expending other funds
- Further CPA's duty to restore Iraqi economy and transfer funding responsibilities to future Iraqi government

Stewardship Initiatives

- CPA Regulation No. 2, Development Fund for Iraq
- CPA Regulation No. 3, Program Review Board
- CPA Memorandum No. __, Contracting Procedures
- CPA Memorandum No. __, DFI Disbursement Procedures

Conclusion

- Accountability
- Transparency
- Workability
- Economic Recovery
- Iraqi Involvement

National Budget


Director, CPA Office of
Management & Budget

2003 Budget Process

- Same forms and format as traditional Iraqi Budgets.
- Budget negotiations with Ministries (CPA and Iraqis).
- Discussion with Kurds.
- Reviewed with Iraqi Finance and Planning officials.
- Reviewed by senior Coalition officials.
- Brief to UN and AID representatives.
- Approved by Program Review Board.

2004 Budget Objectives

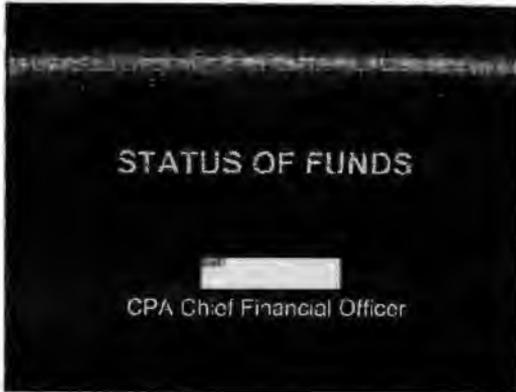
- Security
- Oil Industry
- Infrastructure
- Social Safety Net

2004 Budget Process

- Late July: Budget instructions and fiscal instructions to Ministries.
- Mid August: Budget submissions to Ministry of Finance.
- Mid-late August/early September: Budget hearings by Ministry.
- Mid-late September: Budget clearance process.
- Early October: Budget released.
- Mid-late October: Donor's conference

2004 Budget Funding Gap

- Insufficient Oil revenues to fund Budget objectives.
- Co-ordinated approach to international donor community needed to ensure:
 - maximum level of external support, and
 - donor contributions in sync with Iraq's national priorities
- 2004 Budget process does this by:
 - Identifying and ranking expenditure/projects by national priorities.
 - Packaging projects into a format for donors.

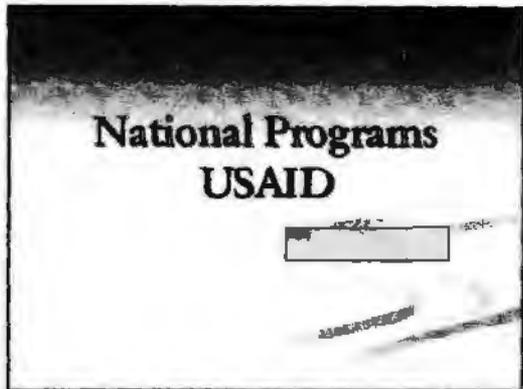


Funds Status
As of July 26, 2008 (\$ millions)

	U.S. Government Funds			Self-Cost			Total Cash
	SECY	SECDEF	Other Army Programs	SECY	SECDEF	Other	
Total Available	2,076	882	194	1,207	1,700	769	3,676
Committed	1,229	262	191	419	1,281	769	3,034
% Committed	(59%)	(29%)	(100%)	(34%)	(80%)	(100%)	(83%)
Disbursed	36	82	0	66	883	288	1,170
% Disbursed	(2%)	(9%)	(0%)	(5%)	(52%)	(38%)	(32%)
Current Period Available	1,229	262	0	122	819	0	2,230

*Used Budget and Reappropriation Fund
 Includes: Researched Fund, Procurement Fund
 ** Available From Big 7 Available Fund
 Includes: SECDEF for New Army Army Training and SECDEF for New Army Army IT Operations
 Classified Fund Total for 2008
 Includes: \$186M LPO/Contractor; 11,000 security-related; 1,800 of security; and 275M other items
 *SECDEF issues due to Significant Temporary Spending Order

- Topics**
- OUSD(C) Appendices regarding Allocation, Disbursement and Accounting for Vested and Seized Assets
 - Financial Management Responsibility
 - Cash Management
 - DFI Accounting System
 - DFI External Auditor



- Sea Port/Airports
- Infrastructure (roads, bridges, Public/Innocent facilities)
- Electricity
- Health
- Local Governance
- Water and Sanitation
- Education
- Agriculture & Rural Development
- Economic Opportunity
- Quick Response Initiatives

- Contractor: Stevedoring Services of America
- Port operations began May 23rd
- Goal is 300,000 tons/month of bulk cargo
- Bulk and break-bulk cargo vessels unloaded
- Commercial Operations restored June 8th

- Rehabilitation of 1,500 buildings (schools, clinics and 45 municipal buildings),
- 300 facilities in 6-8 cities per month,
- responds to locally identified priorities,
- includes the following cities and number of buildings: Baghdad (600); Mosul (50); Erbil (50); Kirkuk (50); Al Hillah (20); An Najaf (20); Al Diwaniyah (20); Al Kut (20); Karbala (20); Basrah (200); An Nasiriyah (60); Al Qurnah (40).
- school portion to be completed by school year start,
- approximately 15,000 jobs over 4 months.

- Skylink prepared to assume management of BIAP and Basrah for summer openings
- Assessments: Baghdad, Basrah, and Mosul Airports completed
- \$100 million required for BIAP and Basra, primarily for air traffic systems upgrade, installation of radar and NAVAID systems, and work on water, power and sewage needs.
- Work started on the security checkpoint and parking area. Includes building parking lot with/ 240 car capacity and airport entrance and exit security checkpoints. Work awarded to Iraq firm.

- Work (orders issued) underway includes:
- \$53.3 million for schools, clinics, municipal bldg
 - \$45 million for emergency communications
 - \$24 million for dredging and wreck removal (Umm Qasr Port)
 - \$17.1 million for airports
 - \$11.3 million for power stations
 - \$4.8 million for bridges
 - \$3.2 million for emergency power grid repairs
 - \$2 million for grain silo repair (Umm Qasr Port)

- Completed National Needs Assessment: \$16 B
- Implementation Plan Approved
- 37 projects identified, creating approx 25,000 jobs.
- Water, Sewage, Electricity, Airports, Port, Bridges
- Net Needs Addressed 3.75%

- Port \$44m
- Airports \$52m
- Water & Sewage \$144m
- Power \$200m
- Rail and Bridges: \$33m
- Buildings: \$53m
- Telecom: \$45m
- Reserve (electricity): \$29m

USAID/UNICEF

- Providing "schools-in-a-box" for primary schools in country
- Providing teacher training in psycho-social intervention to alleviate stress among children
- Providing and distributing materials to support MOE preparation for national final exams

UNESCO

- Review/revise/print math and science primary and secondary textbooks

RISE

- Technical experts in education planning, administration and teacher training now providing capacity building assistance to MOE and setting up offices in Basrah, Hillah and Mosul
- First community grant given to parent-teacher association for the refurbishment of neighborhood school in Basrah
- Procuring school supplies for secondary schools, focusing on Iraq labor and sourcing.

Grants to UNICEF

- USAID provided all intranational and airfreight to all primary health clinics nationwide in collaboration with UNICEF for National Immunization Day June 22.

Grants to WHO

- USAID grants WHO is contributing to the restoration of the Iraq's Expanded Programme of Immunization by re-establishing the country's vital disease surveillance system.

Atm. Contracts

- Six contracts to Iraq health organizations; first one to the Iraq Nurses Association
- Coordination of medical and equipment supplies of SOE, Kermada is being managed by IMC
- USAID health technical advisor organized weekly donor coordination meetings with UNICEF, WHO, ICRC, DHRD, LPA and elected NPO organizations. 3 contracts formed (International Medical Aid) to coordinate shipping of medical supplies and equipment; an engineering unit for facility rehabilitation and a water borne disease contractor.
- Air setting up base offices in support

- Five NGOs awarded cooperative agreements; Save the Children will work in the south; C-IF in the west-central; Mercy Corps in east-central; IRD in Baghdad; ACDI-VOCA in the north.
- IRD created Parent-Teachers Community Association and two projects completed.
 - Solid waste removal. Seventy Iraqis were employed and 30 volunteers took part in the first project.
 - Removal of sewerage from a primary school and the repair of a sewerage pumping station.

- Regional Offices established in Erbil, Hillah, Baghdad, Mosul/Kirkuk with Iraq professionals; Governorate offices in 15 locations underway
- More than \$1 million in local grants approved
 - Electricity, water, health, municipalities, education and sanitation
- More than 60 personnel deployed supporting operation of 88 Neighborhood Councils and Baghdad City Council.
- Strengthening responsive & accountable local government nation-wide.

International Soil Survey led by USAID

- To restore the integrity of marshlands and addressing hydrology
- Scoping trip 12-28 June; 4 people led by USAID in collaboration with University of Basrah and Ministry of Irrigation
- First scientific assessment in 3 decades; collected field data (economic, soil and water)
- Second assessment in September; will present rolling strategic plan in October

Contracting for the reconstruction of Iraq's health system

- Reopening Directorate of Education in Mosul; Reconstruction of Mosul's primary school and refurbishment of Mosul's Tuberculosis Center and Al Kufia Health Center. (OTI)
- Kirkuk purchase of medical supplies; delivered second tranche of education supplies; funded rehabilitation of Central Fire Station
- Supporting expansion of inmate facilities at University of Diyalah, University of Mosul. (OTI)
- Ministeries in a box.

Humanitarian

- Funding CARE to repair sewage water treatment system in Al Hillah, to increase water capacity to 16 to 75 percent in less than three months, serving 750,000 people. (CFDA)
- Funding IMC in Al Kut to repair generators at Al Kut.
- Approximately 93 percent of the food agency throughout Iraq have collected their allotments of the non-flour components of the PDS rations, which include rice, beans, oil, sugar, tea, and wheat flour.

Regional Programs


 Director
 Program Review Board

REGIONAL PROGRAMS

- Regional Directors' Emergency Response Program
- Commanders' Emergency Response Program
- Construction Initiative

GOALS

- High Impact
- High Visibility
- Regional and Local Decision-Making
- Fast Implementing

REGIONAL DIRECTORS' EMERGENCY RESPONSE PROGRAM

- 4 Regional Directorates - \$7 M Total
- \$500,000 replenishable fund
- \$100,000 per project authority
- Report to us via PRB 01 for all projects over \$10,000
- Under \$10,000 report via spreadsheet

Commanders' Emergency Response Program

Colonel 

CJTF-7 CERP Funding Status - as of 20 July

Region	Projects	Amount	Comments
Central	10	\$1,000,000	
East	10	\$1,000,000	
North	10	\$1,000,000	
South	10	\$1,000,000	
West	10	\$1,000,000	
Total	50	\$5,000,000	

- Over 2100 projects completed
- 400 projects completed last week
- Over \$3.2M allocated last week
- Additional \$1.8M "supplement" (work in progress)
- \$20M distributed to units
- All Requests (including ASO's) requesting CERP have been funded
- Ratten Dergans and British Division will receive funds by 1 August

CJTF-7 CERP Funding—Review of Current Guidance

- Authorized Categories—see FRAGO 88 for a complete list
 - Infrastructure repairs
 - Purchase and repair of civic support vehicles
 - Repair to civic or cultural facilities
 - Initiatives which further the establishment of the rule of law
 - Food production and distribution
 - Day laborers to perform civic cleaning
- Additionally Authorized Categories (written review by CPA)
 - Rewards Program
 - PPS Referrals
- Unauthorized Categories
 - Items that directly or indirectly benefit Coalition forces
 - Entertainment for troops
 - Weapons buy-back programs
 - Behavioral elements (except PPS)
 - Provide support to private businesses



CJTF-7 CERP Funding—Next Steps

- Request into CPA PRB for an increase to the Program
 - WB provides funds through December 2003
 - CPA will assess program 18 November for continuity modification
- As more elements of CPA strategic plan are implemented
 - Units must coordinate with Regional Directors closely
 - Reduce duplication
 - Leverage existing contracts and NGO efforts
 - Tie-in local initiatives with military efforts
- New reporting requirements being developed (Project database)
 - Important for visibility to CJTF-7 and CPA
 - WB requires weekly data input MW CPA guidance
- CPA reviewing Contracting guidance which will affect CERP program
- Timely reporting of obligations essential
 - Each Sunday
 - A lot of interest in the program, both CPA and CJTF-7 Senior Leaders

Construction Initiative

Ministry of Housing & Construction

Job Creation Programs

Director of Operations

Donor Funding

IMF Economic Advisor

Oil-For-Food Program

Ministry of Trade

Oil for Food Program Transition

- Oil for Food was the primary mechanism for importing goods, but ends 21 November
- 4814 Approved & Funded Contracts valued at \$7 billion to be prioritized
- 3393 Approved but Unfunded Contracts
- Process Mandated by UNSCR 1483

Oil for Food Program Transition

- 17 Ministries & 9 UN Agencies to coordinate with
- 60% of contracts have been processed so far, 82% of these have been prioritized
- Arrival of goods also an issue



Program Development

Director
Program Review Board

Program Development & Management

- ✓ Assessment/Identification
Project Selection (Prioritization, Coordination)
- ✓ Allocation Process
- ✓ Award & Implementation
- ✓ Program and Financial Management Reporting

Assessment/Identification

- ✓ Identify projects which address specific problems
Regional coverage
- ✓ Identify stakeholders
- ✓ Cost estimates
- ✓ Identify possible funding sources

Project Selection

- ✓ Prioritization
- ✓ Evaluation
- ✓ Identification of appropriate funding source
- ✓ Coordination with other program partners
 - Ministries
 - NGOs
 - UN & other International organizations
 - International Peace Community

Prioritization
Project Review Criteria - Policy

- Security & Stability
- Economic Growth & Gender
- Infrastructure & Public Services
- Social Welfare & Quality of Life
- Planned Development Starting From the Political Process

Project Review Criteria - Policy

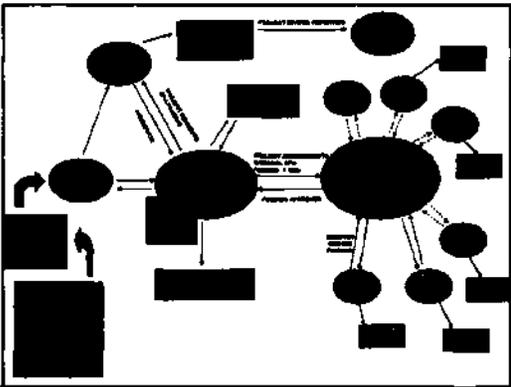
- Consistent with CPA priorities and objectives
- Avoid duplication
- Most effective, efficient way to implement
- Identifying appropriate funding sources

Identification of Appropriate Funding Sources

- CERP, DERP
- Construction Initiative
- USAID Programs
- National Iraqi Budget
- UN and other International Organizations
- Donor Community
- NGOs

Consistent with CPA priorities and objectives

- Consistent with CPA priorities and objectives
- Avoid duplication
- Most effective, efficient way to implement
- Identifying appropriate funding sources



- CPA Allocation Process**
1. PRB 01 Funding Request Form
 - Sub-Committees
 2. Program Review Committee
 3. Program Review Board
 4. Administrator

Program & Project Management

- Management
- Contract or Grant Award
- Monitoring & Evaluation
- Reporting
- Database

Approved Projects by Region, Government, and Category

Region	Government	Category	Value
Africa	UNEP	Water	1,000,000
		Sanitation	500,000
		Health	1,000,000
		Other	500,000
Africa Total: 3,000,000			
Asia	UNEP	Water	1,000,000
		Sanitation	500,000
		Health	1,000,000
		Other	500,000
Asia Total: 3,000,000			
Latin America	UNEP	Water	1,000,000
		Sanitation	500,000
		Health	1,000,000
		Other	500,000
Latin America Total: 3,000,000			
Middle East	UNEP	Water	1,000,000
		Sanitation	500,000
		Health	1,000,000
		Other	500,000
Middle East Total: 3,000,000			
Grand Total: 12,000,000			

Contracting & Grant-Making Processes

General Counsel
 Colonel CPA
 Contracting

Contract Support

For the Coalition Provisional Authority
July 2003

COL
 Head of Contracting Activity (HCA)
 CPA Contracting Activity (CPA CA)

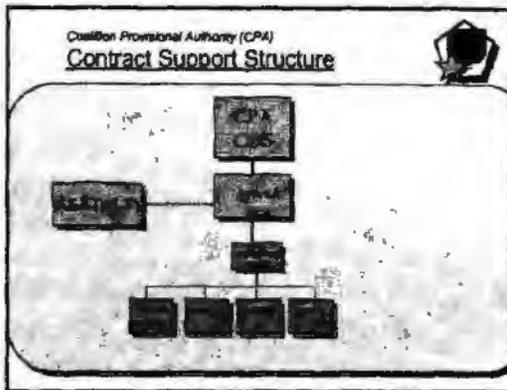
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Coalition Provisional Authority (CPA)
MISSION

PROVIDE CONTRACTING SUPPORT TO THE COALITION PROVISIONAL AUTHORITY (CPA) FOR HUMANITARIAN AND RECONSTRUCTION FOR THE PEOPLE OF IRAQ. JAW DEPUTY SECRETARY OF DEFENSE DIRECTIVE

Coalition Provisional Authority (CPA)
CAPABILITIES

- EXECUTION
- ADVICE
- ASSISTANCE
- REVIEWS
- COMPETITION
- TRAINING
- OVERSIGHT



FINANCIAL MANAGEMENT

Colonel [Redacted]
 CPA Comptroller
 Directorate of OMB

- Comptroller Role**
- Comptroller Coordinates Funding Requirements
 - Advocates for Additional Resources
 - Requests Cash Deliveries from U.S. to Iraq
 - Requests Authority from OSD
 - Directly Makes Payment for
 - US contracts with Iraqi businesses
 - Public or private
 - Special Purpose Payments
 - International Contractors
 - Non-contractual activities
 - Accounting for Vested & Seized Assets

- Operating Budgets**
- Iraqi National Budget
 - Iraqi Reconstruction Budget
 - Seized & Vested Assets
 - Development Fund for Iraq
 - U.S. Appropriated Funds (IFF, IRRF, NRRRF)
 - CPA Support Budget
 - Washington Hq Service
 - U.S. Army

- Disbursement Requirements**
- U.S. Appropriated Funds
 - Copy of Signed Contract
 - Invoice from Company
 - Receiving Report (SF 44 or DD 250)
 - Vested or Seized Assets / DFI
 - Certification by Coalition POC (signs SF1034, payment voucher)
 - Trusted Iraqi Agent
 - Coalition POC signs payment agreement
 - ID Cards required for Agent and POC
 - Payroll listings/project execution files maintained

- Requesting Payment**
- Ministry / Requestor Prepares Asset Disbursement Record (Form 5000)
 - Bring Form to CPA Comptroller
 - Certifying officer & transportation if print off compound
 - Appropriated payments: bring invoice(s) & receiving report(s) with completed Form 5000.
 - Iraqi assets payments: completed Form 5000 with PRB Project No. and prior disbursements
 - Two to three day lag between request to pmt
 - Payments routinely scheduled for
 - Appropriated funds - Thursdays
 - Vested & Seized - All days but Friday



Contact Details: CPA HQ

Director	Director/Info Operations	n/a
Deputy	Deputy	
Spokesperson	Spokesperson	
Public Affairs	Public Affairs	
Info Ops	Info Operations	
...	...	

Overview

Governing Council & Update on Political Process

Deputy Director
Governance

The Governing Council

<p>The GC is now:</p> <ul style="list-style-type: none"> - Organizing itself and its leadership - Creating subcommittees for budget, de-Ba'athification, transitional justice issues - Looking to the Constitution 	<p>The GC will soon:</p> <ul style="list-style-type: none"> - Appoint a preparatory constitutional commission - Appoint interim ministers - Focus on implementing critical national policies - Expand outreach to Iraqis nationwide
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Regional Directorates

- CPA - North
- CPA - South
- CPA - South Central
- CPA - Baghdad

Regional Challenges & Observations

<p>Regional Program Priorities</p> <ul style="list-style-type: none"> - Major Infrastructure Restoration - Return of IDPs - Development of Economic Resources - Allocation of Ministry Budgets 	<p>Regional Challenges & Observations</p> <ul style="list-style-type: none"> - Lack of National Focus on North - Security Issues - Privatization of State Resources - Duplication of Governmental Effort (KRG - Baghdad)
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Publicizing Program Successes

Office of Strategic Communications

4 Key audiences in priority order.

- 1) Iraqi People
- 2) Other Arab Populations
- 3) Coalition Public Opinion
- 4) Other (rest of the world)

2 Challenges.

- 1) Getting the information in
- 2) Getting the information out

Getting the information in

CPA HQ Baghda	Ministries USAID	Nat'l budget Nat'l programs	Programs Budget programs Programs as part of (SAC) programs Programs as part of programs
EPA Reg'ns	PAO channels USAID Offices		
CJTF-7	PAO Chanre's (civilian/military)	CERP	

GETTING THE INFORMATION IN

- a) Merit and timing
- b) Language - language
- c) Historical perspective
 - how much since the end of your combat ops?
 - how much since the old regime?
- d) Who sets this bag?
 - What might impact on the local people?
- e) Always use the Power
 - Support your and/or international media

GETTING THE INFORMATION OUT



- Major Infrastructure
 - Highways
 - Water Supply
 - Electricity
 - Telecommunications
 - Airports
 - Seaports

Economic Development (ADB Grant)
 - 1990-1995
 - Major Development
 - 1995-2000
 - 2000-2005

Lack of National Focus on Health
 - Reduction of Malnutrition, Breastfeeding, Immunization, etc.
 - Reduction of Birth Rates
 - Reduction of Pregnancy
 - Priority Lack of Some Resources
 - Discontinuation of Development

Priority Program
 - 1990-1995
 - 1995-2000
 - 2000-2005
 - 2005-2010
 - 2010-2015
 - 2015-2020
 - 2020-2025
 - 2025-2030
 - 2030-2035
 - 2035-2040
 - 2040-2045
 - 2045-2050

- 1990-1995
 - 1995-2000
 - 2000-2005
 - 2005-2010
 - 2010-2015
 - 2015-2020
 - 2020-2025
 - 2025-2030
 - 2030-2035
 - 2035-2040
 - 2040-2045
 - 2045-2050

- 1990-1995
 - 1995-2000
 - 2000-2005
 - 2005-2010
 - 2010-2015
 - 2015-2020
 - 2020-2025
 - 2025-2030
 - 2030-2035
 - 2035-2040
 - 2040-2045
 - 2045-2050

Ministry of Public Works

2003 Policy Priorities

- Create a new organisation to deliver water, sewerage and municipal services
- Restore water supply, sewerage and municipal services to pre-conflict levels
- Implement 2003 Budget
- Commence strategic planning for 2004 budget and beyond
- Implement effective Donor Coordination

Funding Priorities

- Rehabilitation of Ministry Buildings
- Rehabilitation of water and sewage treatment plants and networks
- Restoration of municipal services and Urban Planning functions
- Institutional Strengthening and Capacity Building

Ministry Panel #3

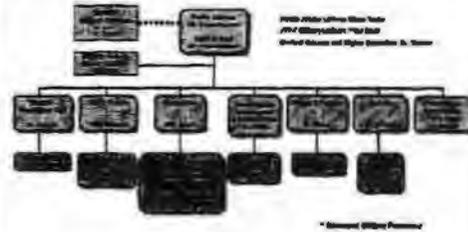
Health
Education
Labor & Social Affairs
Youth

Ministry of Health

Chief of Staff

Organization Chart for the Ministry of Health

As of: 21 July 2003



Today's Health Care System

- Iraq has 240 hospitals, 10 Specialty Centers and more than 1200 primary health care clinics, which are now open and functional.
- Medical personnel salaries are being paid.
- Kurdistan Regions in the north now meet or exceed 100% of pre-war capability;
- Baghdad area hospitals now functioning at 85% of pre-war capability
- In the south, hospitals and clinics are functioning at 60% of their pre-war capability
- There has been no humanitarian or public health crisis in Iraq following the war

Assessment and Challenges

- Before the Gulf War, Iraq had one of the highest standards for health care in the Middle East
- In 2002, Saddam Hussein's regime spent \$13 million for health care for a population of 23 million people; That is 10% of what was spent a decade before. CPA budget for July-December 2003 is \$211 million
- More than a decade of governmental neglect has caused systemic degradation of health care and laboratory facilities, equipment and training of medical personnel
- Public health has deteriorated as well
- 13% of all children die before the age of five
- The maternal mortality rate is one of the highest in the world



Ministry of Water Resources

<p>National Policy Priorities</p> <ul style="list-style-type: none"> - Development of SOEs - Water Use Fees - National Water Allocation Policy - Water availability for Marsh Restoration - International transboundary water issues - Turkey, Iran, Syria - National Water Demand & Availability Assessment 	<p>Funding Priorities</p> <ul style="list-style-type: none"> - Immediate repairs on Dams & Barrages - Operation & Maintenance - Rehabilitation of pipes & facilities - Continuation of 13 Construction Projects - Funding of 5 new restoration studies - 100k person work program
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Electricity Commission

<p>National Policy Priorities</p> <ul style="list-style-type: none"> - Security - Reliability/Consistency - Incentive water to end user - Long Term Strategy <ul style="list-style-type: none"> - Five Year - No load shedding - Economic Growth Support - Billing Program <ul style="list-style-type: none"> - Industry - Residential 	<p>Funding Priorities</p> <ul style="list-style-type: none"> - Generation <ul style="list-style-type: none"> - Steam - Gas - Transmission <ul style="list-style-type: none"> - 400KV - 132KV - Communication <ul style="list-style-type: none"> - SCADA - VoCC - Distributor <ul style="list-style-type: none"> - 33/11 KV
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MINISTRY OF HOUSING AND CONSTRUCTION

Mr. [Redacted], Senior Advisor

Fiscal Year 03 Overview

- \$100 Million Construction Initiative
 - \$20.0 Million Ministry HQ Buildings
 - \$ 4.4 Million Exist. Building Contracts
 - \$ 4.9 Million Exist. Roads/Bridges Contracts
 - \$ 5.3 Million Roads & Bridges Maintenance
 - \$13.5 Million Ministry Projects
 - \$46.0 Million Regional Infrastructure Projects
 - \$ 6.9 Million Other

Priority Projects

- \$13.3 Million Priority Projects
 - \$ 2.7 Million Buildings
 - \$ 1.4 Million Housing
 - \$ 8.9 Million Roads and Bridges
 - \$ 0.3 Million Repair of a Critical Pre-Stressed Concrete Plant
- \$15.0 Million Advance Purchase of Critical Long Lead Items

Policy Objectives of the MOH

- Restore and improve health care services to all people of Iraq, without regard to ethnicity, gender or geographical location.
- Restore Iraq Ministry of Health as the central accountable organization for the effective, fiscally sound and lawful administration of health care services.
- Enhance primary care, prevention and wellness.
- Restore and improve the health care infrastructure, facilities and clinical laboratories
- Improve the quality and currency of medical education for all qualified students
- Coordinate Donor and Humanitarian Assistance efforts in Iraq

Critical Near Term Objectives Through January 2004

- Ministry of Health
 - Complete DeBa'athification
 - Prepare budget for 2004
 - Absorb 18,000 military medical personnel
 - Install 1000 FPS Personnel
 - Rehabilitate Ministry of Health Headquarters
 - Merge CPA and Ministry staff operations
 - Provide medical support to New Iraqi Army
 - Interim Minister of Health to be appointed

Critical Near Term Objectives Through January 2004

- Improvements in Public Health
 - Reduce maternal and infant mortality
 - Reduce hospital-induced infection
 - Establish strategy for mental health services
 - Restore hospital clinical laboratories and other allied health care service
 - Restore emergency medical care and response

Critical Near Term Objectives Through January 04

- Improve medical equipment and supply distribution through Kimadia
 - Introduce inventory management system
 - Improve responsiveness to hospital and clinic needs
 - Establish national contracts to replace Oil For Food contracts as of November 21, 2003

Critical Near Term Objectives Through January 2004

- Improve medical human resources
 - National Nurses Conference, July 15-16
 - Add more advanced skills to nursing
 - Stimulate growth in needed professions of health care administration, pharmacy, laboratory workers and allied health professions

Critical Near Term Objectives Through January 2004

- Improve health care facilities infrastructure
 - Iraq health care facilities data base available on the World Wide Web
 - "Adopt-A-Hospital" Program
 - Evaluate and correct oxygen availability
 - Develop master plan for information technology, communications and telemedicine

Key Challenges

- Repairing years of governmental neglect and damage to Iraq's health care system that existed before the war.
- Moving rapidly to show results to the Iraqi people
 - Electricity, water, supplies
 - Hospital equipment repairs, refurbishing and new training
- Unifying governmental and non-governmental efforts in support of a common vision for Iraq's health care system
 - Coalition Provisional Authority
 - CPA Regional Directors
 - Governorate Directors General
 - Coalition Forces
 - Non-governmental and International Organizations
 - Other health partners
- Creating a favorable optimal economic environment for public and private health care

Ministry of Education

Ministry of Education

- | | |
|--|------------------------------------|
| • National Policy Priorities | • Funding Priorities |
| • Library | • Teacher Payments |
| • Infrastructure | • Textbooks |
| • Teacher Recruitment, Training, Development | • Infrastructure |
| • Mgt Information System | • Teacher Training and Development |
| • Vocational / Adult Ed | |
| • Special Needs | |

Ministry of Education

- 1500 primary, intermediary, secondary school buildings identified in Baghdad
- Bechtel to repair 600
 - Two model schools started on 15 July
 - 52 more to begin on 29 July
 - UNICEF, NGOs, and military will repair additional schools
- Progress will continue into new school year

Ministry of Education

- Secondary schools refurbished by Creative Associates immediately after completion of each school
- UNICEF to provide 7000 "School in a Box" kits, good for one primary teacher and 70 students
- 1.2 million student kits for secondary schools arriving thru RISE program

Ministry of Labor & Social Affairs

Senior Advisor

Ministry of Labor and Social Affairs

General Policy Priorities

- Payment of Benefits
- Recruitment
- Put Labor Back In
- Program Expansion
 - Military Demob
 - Employment Centers
 - Equal Access
 - Social Safety Net



Labor and Social Affairs

ILO Survey

- Bas Payment
- Reimbursements
 - 04
 - Stand Up National HQ
- NGO Outreach
 - UNICEF
 - Red Crescent



Labor and Social Affairs

UNEP/RODUSOM

- Evaluation
- Mainframe plan
- Universal Services and Benefits
- National Integration
 - Inclusion of Northern Sector
 - Baghdad Meeting



Labor and Social Affairs

Funding Priorities

- \$3.8m
- Iraq
- Elderly Care
 - Child Care
 - Women
 - Street Kids
 - Vocational Training
 - National Vocational Training \$2.5m
 - Military Demob ILO Survey

Funding

- National Center
- National Vocational Training Center
- Social Welfare
 - Basrah
 - Dhi Qar
 - Karbala
 - Basrah
- Widow
 - Kirkuk
 - Sulaymaniyah
 - Basrah
- Elderly Care
 - Sulaymaniyah
 - Baghdad
 - Erbil
- Street Kids
- Social Welfare
 - Basrah
 - Dhi Qar
 - Samarra
 - Wasit
- Vocational Training
 - Dhi Qar

Ministry Of Youth & Sports

Senior Advisor



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 5 (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

COALITION PROVISIONAL AUTHORITY REGULATION NUMBER 2

DEVELOPMENT FUND FOR IRAQ

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),

Recognizing that ninety-five percent of the proceeds of all export sales of petroleum, petroleum products, and natural gas from Iraq, as well as funds from other sources, shall be deposited into the Development Fund for Iraq until an internationally recognized, representative government of Iraq is properly constituted, and that five percent of the proceeds referred to in paragraph 20 of Resolution 1483 shall be deposited into the Compensation Fund established in accordance with Resolution 687 (1991),

Reaffirming that a major CPA objective is to ensure that the newly established Development Fund for Iraq and other Iraqi resources, including Iraqi petroleum and petroleum products, are dedicated to the well-being of the Iraqi people,

Committed to ensuring, consistent with paragraph 14 of Resolution 1483, 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,

I hereby promulgate the following:

Section 1 Purpose

This Regulation applies to the administration, use, accounting and auditing of the Development Fund for Iraq (the "Fund"). The Regulation is intended and shall be applied to ensure that the Fund is managed in a transparent manner for and on behalf of the Iraqi people, consistent with Resolution 1483, and that all disbursements from the Fund are for purposes benefiting the people of Iraq.

Section 2
Responsibilities

- 1) **Administrator of the CPA (Administrator).** Oversees and controls the establishment, administration and use of the Fund for and on behalf of the Iraqi people, and directs disbursements from the Fund for those purposes he determines to be for the benefit of the people of Iraq.
- 2) **Director, Economic Policy, CPA, or other CPA official designated by the Administrator.** Manages the Fund, in coordination with the Central Bank of Iraq, the U.S. Federal Reserve Bank of New York and, if the Administrator directs that accounts be opened in the Bank for International Settlements (Switzerland) and/or other financial institutions, in coordination with those institutions.
- 3) **CPA Program Review Board (PRB).** Reviews all competing requirements for the relief and recovery of Iraq, assesses all available resources, and, in consultation with the Iraqi interim administration, when established, develops for the approval of the Administrator spending plans, consistent with a comprehensive budgetary framework, that identify prioritized requirements for proposed disbursements from the Fund; considers in this process information provided by the CPA International Coordination Council, the International Advisory and Monitoring Board, and other entities, as appropriate.
- 4) **CPA International Coordination Council.** Advises the PRB 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; supporting efforts to encourage the global donor community to participate in this effort; providing the PRB with information regarding the nature and scope of international assistance to Iraq; and, as requested, making recommendations to the PRB with regard to disbursements from the Fund.
- 5) **International Advisory and Monitoring Board of the Development Fund for Iraq (the "IAMB").** Including duly qualified representatives of the Secretary-General of the United Nations, the Managing Director of the International Monetary Fund, the Director-General of the Arab Fund for Social and Economic Development, and the President of the World Bank, and not to exceed three additional duly qualified members appointed by the IAMB with the approval of the Administrator. The IAMB shall approve independent public accountants responsible for auditing the Fund, the Oil Proceeds Receipts Account referred to in section 2(9), and auditing export sales of petroleum, petroleum products, and natural gas from Iraq. The Administrator, in consultation with the IAMB, may appoint up to five non-voting observers to the IAMB. Consistent with its terms of reference, the IAMB shall perform functions similar to those of outside audit committees and may provide

information and comments to the PRB and the Administrator as appropriate to serve the purposes of Resolution 1483 and this Regulation.

- 6) Central Bank of Iraq. Holds the Fund on its books and administers the Fund as directed by the Administrator or his delegate.
- 7) U.S. Federal Reserve Bank of New York (the "Federal Reserve Bank") (and/or the Bank for International Settlements (Switzerland), and/or other financial institutions, if the Administrator directs that accounts in such institutions be opened). As agreed between such institution(s) and the Administrator, open and maintain on its books the "Central Bank of Iraq/Development Fund for Iraq" account, as requested by the Administrator. Pursuant to Resolution 1483 and this Regulation, it is understood that the Federal Reserve Bank will be requested to open and maintain on its books an Oil Proceeds Receipts Account (the "Receipts Account") for the initial receipt of proceeds of all export sales of petroleum, petroleum products, and natural gas from Iraq and for the immediate transfer of ninety-five percent of such proceeds to the "Central Bank of Iraq/Development Fund for Iraq" account and five percent of such proceeds to the appropriate United Nations Compensation Fund account.
- 8) Independent public accountants (auditors). Nominated by the Administrator, approved by the IAMB, and reporting to the IAMB and the Administrator, the independent public accountants audit the Fund and audit all export sales of petroleum, petroleum products, and natural gas from Iraq, supporting the objective of ensuring that the Fund is used in a transparent manner and that such export sales are made consistent with prevailing international market best practices.

Section 3 Establishment of the Fund

The Fund shall be held on the books of the Central Bank of Iraq and the corpus of the Fund shall be held in an account entitled "Central Bank of Iraq/Development Fund for Iraq," in the Federal Reserve Bank (and/or other financial institution(s), if the Administrator so directs), for the Central Bank of Iraq.

Section 4 Control of the Fund

The Fund shall be controlled by the Administrator of the CPA, for and on behalf of the Iraqi people. The Central Bank of Iraq and the Federal Reserve Bank (and/or other financial institution(s), if the Administrator so directs), shall accept

instructions, as agreed, concerning the Fund, including instructions to pay sums out of the Fund, only from the Administrator or his authorized delegate(s).

Section 5 Administration of the Fund

- 1) **General.** The Central Bank of Iraq/Development Fund for Iraq account in the Federal Reserve Bank shall be governed by the Federal Reserve Bank's standard terms and conditions regarding accounts of foreign central banks and governments, to the extent consistent with applicable law.
- 2) **Communications Protocol.** The Fund will be controlled by the Administrator through a communications protocol to be signed upon between the Administrator and the Federal Reserve Bank (and/or other financial institution(s), if the Administrator so directs). This protocol shall be documented in a funds transfer security procedures agreement.
- 3) **Deposits into the Fund.** One billion United States Dollars from unencumbered funds in the accounts established pursuant to paragraphs 8(a) and 8(b) of United Nations Security Council Resolution 986 (1995) have been transferred to the Fund; and it is anticipated that certain restored and surplus funds, pursuant to paragraphs 17 and 23 of Resolution 1483, will be transferred to the Fund. In addition, ninety-five percent of the proceeds from all export sales of petroleum, petroleum products, and natural gas from Iraq shall be deposited into the Fund, pursuant to paragraph 20 of Resolution 1483, and five percent of such proceeds shall be deposited in the Compensation Fund established pursuant to Resolution 687 (1991), pursuant to paragraph 21 of Resolution 1483. There shall also be accepted for deposit into the Fund any gifts, contributions, donations or other funds, revenues or proceeds.
- 4) **Internal Accounting.** The CPA shall obtain the services of an independent, certified public accounting firm to support the objective of ensuring that the Fund is administered and used in a transparent manner for the benefit of the people of Iraq, and is operated consistent with Resolution 1483. The accountants performing this function shall be separate from those public accountants (auditors) approved by the International Advisory and Monitoring Board.
- 5) **Privileges and Immunities.** The Fund, including the accounts that comprise its corpus, and the Receipts Account, shall enjoy the privileges and immunities set forth in paragraph 22 of Resolution 1483, as well as privileges and immunities to which the Fund may be entitled under any other law, regulation, order, or directive.

Section 6
Disbursements from the Fund

- 1) **Authority to Approve.** Only the Administrator or his delegate may approve disbursements from the Fund.
- 2) **Directions to Disburse.** Funds shall be disbursed from the Fund, in accordance with this Regulation, only upon the express direction of the Administrator, or upon the express direction of individual(s) to whom the Administrator has delegated that authority.
- 3) **Purposes.** Funds may be disbursed from the Fund to meet the humanitarian needs of the Iraqi people and for the economic reconstruction and repair of Iraq's infrastructure; for the continued disarmament of Iraq; for the costs of Iraq's civilian administration; and for other purposes the Administrator determines to be for the benefit of the people of Iraq.
- 4) **Proposals for Disbursements.** Disbursements from the Fund generally shall be proposed through procedures prescribed in, or promulgated in implementation of the CPA Order establishing the PRB. These procedures shall require that proposed disbursements are set forth in a spending plan reflecting the cost, purpose and priority of the requirement, and that, prior to approval by the Administrator, all spending plans are developed in consultation with the Iraqi interim administration, once established.

Section 7
Auditing

The Fund and the export sales of petroleum, petroleum products, and natural gas from Iraq, shall be audited by independent public accountants nominated by the Administrator and approved by the IAMB. The expenses incurred in obtaining the services of the approved independent public accountants shall be charged against the Fund. The CPA shall cooperate fully with the IAMB and the approved independent public accountants in carrying out each party's respective responsibilities. In particular, the CPA shall provide the IAMB and such accountants with access to the Fund's financial records, with confidential materials protected in a manner agreed between the parties.

CPA Process For The Allocation Of Funds

1. Overview and Objectives
 2. Key Terms
 3. Role of the Program Review Board
 4. Role of the Project Review Committee and Staff
 5. Role of the Regional Directors
 6. Budget Request Process
 7. Allocation Process
 8. Disbursement Process
-

1. Overview and Objectives

The CPA is responsible for administering, using and accounting for vested and seized Iraqi property and the Development Fund for Iraq. In addition, the CPA must propose expenditures from the U.S. Iraq Relief and Reconstruction Fund (IRRF) for execution of relief and reconstruction programs in Iraq. The CPA has established the Program Review Board ("Board") to carry out responsibilities as defined in the Coalition Provisional Authority Regulation Number 4. The CPA has further established a Program Review Committee ("Committee") to support the work of the Board in carrying out its responsibilities under this regulation, which will employ staff in support of these functions. When budgeting expenditures from these various sources of funding, it is important to ensure that to the maximum extent possible, consistent with local conditions:

- Program funding requests undergo a rigorous review
- Program funding requests are consistent with the Coalition Provisional Government's policy and security objectives
- Program funding requests are properly coordinated within the CPA
- Program funding requests are prioritized
- Projects are funded from the most appropriate funding source
- Projects are not duplicative
- Projects can be implemented through the most effective, efficient mechanisms
- Projects are coordinated with Iraqi officials or community representatives, Coalition partners, NGOs and international donors
- Projects are presented to international donors to attract outside funding
- Projects are appropriately monitored
- Program funding requests are expeditiously reviewed, decided, and disbursed.

2. Key Terms

Appropriated Funds: Funds made available to the U.S. President or a U.S. executive agency by the U.S. Congress, in a duly enacted appropriations act. The primary source of appropriated funds for relief and reconstruction activities in Iraq is the \$2.475 billion Iraq Relief and Reconstruction Fund appropriated to the President in H.R. 1559, the Emergency Wartime Supplemental Appropriations Act for Fiscal Year 2003. These funds remain available for expenditure until September 30, 2004.

Vested Assets: Funds of the former Government of Iraq that have been confiscated from U.S. bank accounts and provided to the U.S. Department of the Treasury, pursuant to the International Emergency Economic Powers Act, as amended. Vested funds are available only for the purpose of assisting the Iraqi people and assisting in the reconstruction of Iraq.

Seized Funds: State- or regime-owned cash, funds, or realizable securities found in Iraq by Coalition Forces, and taken under their possession and control pursuant to the laws and usages of war. Seized funds may be used only to assist the Iraqi people and support the reconstruction of Iraq.

Development Fund for Iraq: A fund held by the Central Bank of Iraq, and capitalized by: a \$1 billion transfer from UN escrow accounts; all proceeds from export sales of petroleum, petroleum products and natural gas from Iraq; funds of the previous Government of Iraq located outside Iraq and frozen by Member States, and certain other sums. The Development Fund for Iraq is available for humanitarian assistance, economic reconstruction and repair of infrastructure, disarmament, Iraqi civil administration, and other purposes benefiting the people of Iraq.

Apportionment of Funds: The process whereby the White House Office of Management and Budget (OMB) authorizes the transfer of U.S. appropriated funds from a central appropriations account (in this case, usually the Iraq Relief and Reconstruction Fund) to the particular U.S. executive agency (the Departments of State, Defense, Treasury, Health and Human Services, or AID) that will expend the funds.

Allocation of Funds: The process of dividing total available resources among various categories, by establishing specific monetary amounts that will be available for particular purposes.

Obligation and Disbursement of Funds: An obligation of funds legally binds the government to pay a specific amount of money to an individual, contractor, organization or other entity. A disbursement occurs when funds are transferred from the possession of an official of the Coalition Provisional Authority to a non-Coalition payee (usually a contractor or an Iraqi government official).

3. Program Review Board

The Board is responsible for preparing and submitting to the Administrator for approval, allocation requests that identify, integrate and prioritize requirements for the relief and recovery activities in Iraq, and proposes allocations of available resources to meet those requirements. The specific roles, responsibilities and membership of the CPA Program Review Board are set forth in the CPA Regulation No. 4, Program Review Board (June 17, 2003).

4. Project Review Committee and Program Staff:

The primary function of the Project Review Committee is to conduct the initial review of all program funding requests and project submissions, categorize them, and make recommendations to the Program Review Board for the allocation of funds based on the objectives set forth above. The Staff will assist the Board and Committee in carrying out their functions as identified in CPA Regulation No. 4, Program Review Board (June 17, 2003) and instructions promulgated in implementation of that Regulation. Program Staff will coordinate and manage the funding proposal and approval process for the Development Fund for Iraq, the vested and seized asset accounts, and the Iraq Relief and Reconstruction Fund. Program Staff report directly to the Program Coordinator and be responsible for:

- Distributing and providing procedures and guidance to all CPA entities including Ministry Advisors, Regional Directors, the Coalition International Council and CJTF-7 commanders on the process for submitting funding requests to the Program Review Board

- Receiving all project funding requests and working with proponents to ensure the applications contain all necessary information.
- Ensuring that the funding requests/project proposals have undergone the required prior review at the regional or ministerial level prior to submission to the Committee.
- Identifying, reviewing and recommending appropriate funding sources, in coordination with the General Counsel
- Reviewing and recommending mechanisms for project implementation
- Creating and maintaining a database tracking system for all funding requests received and project disposition
- Entering all data into the database tracking system for all project proposals
- Distributing copies of all project proposals and necessary information to all members of the Committee for consideration.
- Coordinating any informational requests from the Committee and Board
- Organizing meetings of the Committee and Board and preparing necessary materials.
- Creating official records of the Committee and Board meetings and implementing decisions made by these two bodies.
- Obtaining additional information for CPA when required.
- Converting the recommendations of the Board into allocation requests for the CPA.
- Distributing CPA decisions to the program proponent, members of the Board and to the Comptroller for funding disbursements or accounting line cite
- Working with the Comptroller on disbursement of funds and mechanisms for disbursement
- Tracking status of fund balances of available funding, including within program categories

5. Role of the Regional Directors

All Regional Directors must establish mechanisms by which projects generated in the governorates are reviewed and prioritized at a regional level. Regional Directors should establish a committee or other process to vet and recommend projects to the Board requesting vested or seized assets or funds under the Iraqi Development Fund. To the extent possible, coordination should be done with the national level, such as Senior Advisors to the Ministries.

6. Funding Request Process:

The Program Review Board will receive requests from a number of sources but primarily from Military Commanders, Regional Directors and Ministry Advisors. All funding requests will be reviewed in accordance with the following review and approval process, as expeditiously as possible.

Field Requests: Field Requests are generated from Division and Brigade Commanders and CPA civilian staff who fall under the Regional Directors.

Division, Brigade Commander, and Regional Director's Emergency Response Funds--

- All funding requirements that fall under the delegated authorities (Division Commanders \$100,000 per project, Brigade Commander \$50,000 per transaction; Regional Director \$100,000 per transaction) can be approved and funded within their discretion from the Emergency Response Funds.
- A Request for Funding Form (PRB 01) should be completed for all projects and completed copies should be provided to the Program Coordinator. (Note: Division and Brigade Commanders and Regional Directors should exchange PRB 01 forms to ensure coordination.)

- At the depletion of available funds, submit a request for replenishment to the Program Coordinator. Note: Expended funds can be replenished upon submission of completed PRB Forms, PRB 01.

Funding Requests in Excess of Delegated Authorities -

- All program funding requests over delegated amounts must be considered by the Board and should be submitted on a Funding Request Form (PRB 01) to the Program Coordinator.
- Requests should be coordinated with the Regional Directors and, to the extent possible, for ministry activities, with the Ministry Advisor. (If this coordination is not possible at the regional level, the coordination will be done by the Program Coordinator.)

Ministries/Other Entities in Baghdad:

- All requests in any amount, which are not contained in a Ministry Budget, must be submitted on a Funding Request Form (Form PRB 01) to the Program Coordinator, after appropriate coordination with Ministry Advisors or municipality.

7. Allocation Process:

The goal is to process funding requests in 48 – 72 hours. The more complete the Funding Request Form, including the demonstration of coordination with relevant parties, the faster the approval process will proceed.

- All requests will be submitted to the Program Coordinator or Program Staff (see separate Instructions.)
- When the form is sufficiently complete, it will be submitted to the Project Review Committee for review. The Committee will meet every other day.
- Recommendations will be submitted to the Program Review Board for approval.
- Board recommendations for programs under \$200,000 will be submitted to the Comptroller for disbursement.
- Board recommendations for programs over \$200,000 will be submitted to the CPA via an Allocation Request.
- Allocation decisions of the CPA will be distributed by the Staff to: the Board, the Committee, the Regional Director (for further distribution to Military Commanders), the proponent, and the Comptroller for payment.

8. Disbursement of Funds

The CPA will publish specific procedures for disbursing the various types of resources that the CPA Program Review Board will be responsible for budgeting.

- Appropriated funds will be disbursed in accordance with applicable federal laws and regulations, including Title 31 of the United States Code, and the Federal Acquisition Reg.
- Vested and seized funds will be disbursed in accordance with applicable Appendices to the Procedures for Administering, Using and Accounting for Vested and Seized Funds, approved by the U.S. Deputy Secretary of Defense on May 29, 2003.
- Funds from the Development Fund for Iraq will be disbursed under procedures that ensure transparency and international confidence in the manner in which the CPA uses the Fund on behalf of, and for the benefit of the Iraqi people.

July 19, 2003

BUDGET EXECUTION PROCEDURES IN THE GOVERNORATES

Attached is the 2003 Budget for Iraq by Ministry.¹ Based on preliminary estimates from the CPA Senior Advisor to each Ministry, also attached, the CPA is depositing in the nominated bank in each Governorate the funding required to meet Ministry requirements for one-fifth of the remainder of the year (as of July 1, 2003.)

No funds will be available until each Ministry and their Senior Advisor submit a detailed spending plan to the Ministry of Finance for approval. The plan should reflect requirements for all departments and accounting units in each Governorate. Spending will be limited to the planned amount.² It will be the responsibility of each Ministry to provide documentation, according to an instruction from the Ministry of Finance, to the Governorate Treasury office for each proposed disbursement.

The Ministry of Finance will operate two Treasury accounts (one dollar, one dinar) at a nominated bank in each Governorate. These two accounts will be the sole source of funds for all Ministries in that Governorate. At the Ministry's request, the bank holding the account may convert up to 25% of the allocation in dollars into dinars, subject to the availability of dinars. The exchange rate will be that set the prior day by the Central Bank. Only 10,000 dinar notes will be available for these accounts.

A fee to be charged by the bank for converting dollars to dinars shall be negotiated by the Ministry of Finance and shall be subject to approval by the CPA Senior Advisor to the Ministry of Finance. If dinars are not available, dinar denominated obligations entered into by Ministries will be settled in US Dollars using the exchange rate set for the previous day by the Central Bank. All suppliers to the Government of Iraq must accept payment in US Dollars at the discretion of the Government.

No Ministry, state-owned organization or enterprise in Iraq may open an account or operate an old account, including sub-accounts, except with the approval in writing of the CPA Senior Advisor to the Ministry of Finance

Enc. 2003 Budget for Iraq by Ministry
Allocations by Point of Disbursement for July (Preliminary)

¹ The Minister of Finance is authorized to propose changes to the 2003 Budget through July 31, 2003. Changes must be approved by the Senior Advisor to the Ministry and will be effective after this date.

² A copy of approved plans may be obtained from the appropriate Ministry/CPA Advisor. Please see the CPA website (<http://www.cpa-iraq.org>) for contact information.

Expenditures by Organization (Updated July 20, 2003/a)

Organization	Operational Expenditure (\$USm)	Capital Expenditure (\$USm)	Total (\$USm)
Ministry of Agriculture	9.4	10.0	19.4
Baghdad Mayoralty	17.4	4.3	21.7
Board of Supreme Audit	0.4	0.0	0.4
Central Organization of Standards	0.0	0.0	0.0
Ministry of Culture	1.2	61.6	62.8
Ministry of Defense	45.0	120.0	165.0
Ministry of Education	9.7	0.0	9.7
Electricity Commission	24.0	77.6	101.6
Ministry of Foreign Affairs	23.5	0.0	23.5
Ministry of Finance	199.4	1.2	200.6
Ministry of Health	210.6	1.0	211.6
Ministry of Higher Education and Scientific Research	32.8	4.0	36.8
Ministry of Housing & Construction	6.0	32.6	38.6
Ministry of Industry & Minerals	209.1	0.3	209.4
Ministry of the Interior	2.4	20.5	22.9
Ministry of Irrigation	3.9	32.5	36.4
Ministry of Labor and Social Affairs	13.8	0.0	13.8
Ministry of Justice (excluding Prisons)	6.3	25.2	31.5
Ministry of Justice (Prisons)	6.3	21.9	28.1
Ministry of Oil*	.	.	.
Ministry of Planning	4.6	0.0	4.6
Ministry of Municipalities and Local Authorities	20.8	52.0	72.8
Ministry of Religious Affairs	0.7	3.2	3.9
Iraq Science and Technology Commission	11.8	1.6	13.4
Ministry of Trade	4.0	0.0	4.0
Ministry of Transportation and Communication	10.8	138.7	149.6
Youth Commission	2.6	2.8	5.4
Total Organization Expenditures (excl salaries)	862.1	609.5	1,471.6
Total Salaries and Pensions			1,140.0
Total Organization Expenditures			2,611.6

* Operational and capital expenditure to be funded through extra realised revenues. Over \$1 billion of capital expenditure to be funded off-budget.

/a Includes changes for Baghdad Mayoralty, the Ministry of Irrigation, the Ministry of Labor and Social Affairs, and the Ministry of Justice (excluding Prisons).

Dinar Banknote Exchange Planning for 15th October 2003

CPA Ministry of Finance

Three Stage Plan

- Positioning of new banknotes at distribution hubs
- Distribution of new banknotes from hubs to 500 exchange locations
- Collection of old banknotes and their secure destruction

1. Positioning

- New dinars in 6 denominations to be flown in from global distribution centres
- Receipt by Central Bank of Iraq and storage at distribution hubs
- Sorting by CBI teams into packages for delivery to 500 exchange locations from distribution hubs

2. New banknote distribution

- Escorted convoys in October from distribution hubs to exchange locations with prepositioning before October 15th and resupply after exchange commences
- Ongoing distribution of new banknotes until the end of the exchange period on January 15th 2004.

3. Destruction of old banknotes

- Pickup of old banknotes from exchange locations and transfer to destruction sites
- Verification of old banknotes at destruction sites, secure storage and destruction

Management

- Steering committee chaired by CBI with all banks, MoF, CPA, Military, Police representation
- Jacob Nell in lead on planning and John Rooney in lead on implementation

Planned Contractor Support

- Air transport into Iraq from mid-August to mid-November
- Provision of counting and destruction kit
- Provision of destruction services
- Provision of logistic coordination services

Planned Central Bank Role

- Chair steering committee
- Provide data on exchange locations
- Take custody of new banknotes
- Provide sorting teams for new banknotes
- Provide observers and custodians to transfer new and old banknotes
- Provide verification teams for old banknotes

Requested Military Support

- Senior operational officer assigned to MoF as liaison for operation
- Agreement for landing of supply flights
- Provision of distribution hubs
- Security and support for distribution hubs
- Escorted convoys to deliver new banknotes
- Security at exchange locations on basis of military assessment
- Support for information campaign

CPA Regional Program Overview

Commanders' Emergency Response Fund (CERP)

\$74.5M

- Source: Seized Funds
- 5 Division Commanders
 - \$500,000 available, replenishable
 - \$100,000 per project authority
- 55 Brigade/Governorate Commanders have \$200,000 available each
 - \$200,000 available, replenishable
 - \$ 50,000 per project authority
- Form PRB 02 Reporting Form to be completed for all projects
 - Spreadsheet for \$10,000 and less
 - One pager for greater than \$10,000 up to \$100,000
- Projects include: Reconstruction, Infrastructure, humanitarian assistance

Regional Directors' Emergency Response Fund (DERP)

\$7 M

- Source: Seized assets
- 4 Regional Directors have \$500,000 each, replenishable
- \$100,000 per project authority
- Form PRB 02 Reporting Form to be completed for all projects
- Projects include: Reconstruction, Infrastructure, humanitarian assistance

Construction Initiative

\$100M

- Source: Seized assets
- Ministry of Housing and Construction, Walker Lee Evey, Senior Advisor
- Delegated authority for decisions of \$100M program to PRB
- \$35M Completion of Ongoing Projects Element
- \$20M Ministry Reconstruction
- \$45M Local Projects Element (\$15M to N, S, SC)
 - \$100,000 of per project authority for the regions
 - \$100,000 or less PRB 02 Reporting Form
 - Over \$100,000 funding request to PRB via Form PRB 01
 - Construction/Infrastructure

Drafted by: [redacted] Deputy Dir for Programs, CPA Office of Management & Budget,
[redacted]