

International Advisory and Monitoring Board

Minutes of the meeting held at the IMF Headquarters in Washington DC on 8 January 2008.

The following members of the IAMB were present:

Arab Fund for Economic and Social Development: Mr. Khalifa Ali Dau, Senior Financial Advisor

International Monetary Fund: Mr. Bert E. Keuppens, Director of Internal Audit

Government of Iraq: Adviser, Ministry of Finance

United Nations: Mr. Warren Sach, Assistant Secretary-General and Controller

World Bank: Mr. Fayezul Choudhury, Vice-President and Controller

Also in attendance were the following:

International Monetary Fund:

Mr. Chris Hemus, Alternate Member

Ms. Mary Hoare, Officer, IMF Finance Department

United Nations:

Mr. Jayantilal Karia, Alternate Member

Mr. Moses Bamuwamye, Financial Management Officer

World Bank:

Ms. Caroline Harper, Lead Operations Officer

Government of Iraq:

Alternate Member, Chartered Accountant/Auditor

Committee of Financial Experts

President, Board of Supreme Audit (BSA)

Invitee from the United States Department of State

Mr. Joshua Volz

1. The meeting was chaired by Mr. Keuppens.
2. The IAMB met in Washington to continue its oversight responsibilities on the Development Fund for Iraq (DFI).
3. The agenda for the meeting was unanimously adopted in the executive session.

IAMB Work Program for 2008

4. The IAMB discussed the implications of the extension of its mandate until 31 December 2008 by the United Nations Security Council resolution 1790 (2007).

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5. The IAMB and the Committee of Financial Experts (COFE) agreed to work closely together during 2008 and fully coordinate their work, with the IAMB placing increasing reliance upon the work of COFE while discharging its responsibilities under the UN Security Council Resolution.
6. IAMB was informed of the briefing to the Security Council by the Representative of the Secretary-General. The IAMB was also informed of the request from the Permanent Representative of the Russian Federation in which he requested that the IAMB brief the representatives of embassies of the Security Council member states in Washington, DC. As has been the practice, it was reiterated that individual representatives on the Board should brief their respective organizations in an individual capacity. The IAMB therefore agreed that such a briefing be done by the Secretary-General's representative to the IAMB. The IAMB asked the Representative of the United Nations Secretary-General to report back to the Security Council accordingly.
7. The IAMB also discussed whether its oversight role extended to the 5% oil sales proceeds that go to the United Nations Compensation Fund. It was the understanding of some of the Members that the United Nations Compensation Fund receipt under UNSCR 1483 (2003) was a derivative of the oil proceeds account rather than of the DFI, hence was outside the scope of the IAMB's mandate. Nevertheless, the Members agreed to seek a legal opinion in this regard from the UN Legal Counsel.
8. The IAMB discussed the modalities of cooperation with the COFE during the coming year. The IAMB noted that it was already taking steps to ensure a smooth hand-over of responsibilities to COFE upon the expiration of the IAMB's mandate 31 December 2008 per UNSCR 1790. It expected that COFE members will attend the remaining IAMB meetings and work alongside the IAMB in the oversight of Iraq's oil export revenues.
9. In 2008, the IAMB will continue to monitor controls over Iraqi oil export revenues, the use of those revenues in the spending ministries, and the installation of oil metering. The IAMB will determine how the Board and its member organizations can advise the Government of Iraq on further strengthening the capacity over financial management in Iraq.

IAMB Third Interim Report

10. The IAMB agreed to issue a third interim IAMB report a copy of which will be circulated for comments.

The Committee of Financial Experts

11. The IAMB was also briefed by the head of the Committee of Financial Experts (COFE) on their operations. COFE is expected to succeed the IAMB at the end of the IAMB's mandate.
12. The IAMB recognized the important role of the COFE during this period and it was agreed that COFE would ask Ernst & Young to provide summary of status of their interim work for the 2007 audit to be provided to the IAMB by May 2008.

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13. The COFE also agreed to provide English versions of the minutes of their meetings with the IAMB.

Update on Implementation of Earlier Recommendations

14. The IAMB was briefed by the representative of the government of Iraq on the status of implementation of the previous recommendations. Given the importance attached to the same, it was agreed that a compilation of all recommendations and status of implementation of the same should be provided to the IAMB in the near future.

Other Matters

15. The IAMB discussed and approved the revised terms of reference to reflect the extension of its mandate to 31 December 2008.
16. IAMB agreed to issue a press release on the outcome of its January 8 meeting.
