

A BUSINESS CASE FOR MINE ACTION COMPLETION

A study commissioned by the MASG

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and the
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Background to Study

- Aim of Study
 - To prepare a business case analysis of how the MASG may contribute to the Completion Initiative established by the United Nations, and to assist affected countries meet their APMBC and CCM clearance obligations
- Terms of reference agreed at March 2012 MASG meeting in Geneva
- Draft report presented today

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Context

- Exaggerated claims of contamination in early days
- APMBC – 20 States Parties out of 54 affected member States have reported ‘completion’ of Article 5 clearance obligation
- CCM – 2 States Parties out of 16 affected States Parties / signatories have reported ‘completion’ of Article 4 clearance obligation
- United Nations have launched ‘completion initiative’
- Explosive Remnants of War more difficult - due to nature of problem and no convention

Definitions of Completion

- More than one 'completion'
- Convention obligations cover clearance, stockpiles, victims.... and specific weapon types
- This study only covers clearance and there may be different components:
 - Completion under Article 5 of the APMBC
 - Completion under Article 4 of the CCM
 - Completion of clearance of all ERW (as loosely defined by the CCW)
 - Completion as defined by a non-State party to any of the above

United Nations Completion Initiative

- Original UNDP initiative in 2003
- Re-launched in 2011 to cover anti-personnel mines and cluster munition remnants
- Aims to assist a greater number of states fulfil their international obligations
- Reviews 32 countries against criteria

Business Case Aspects

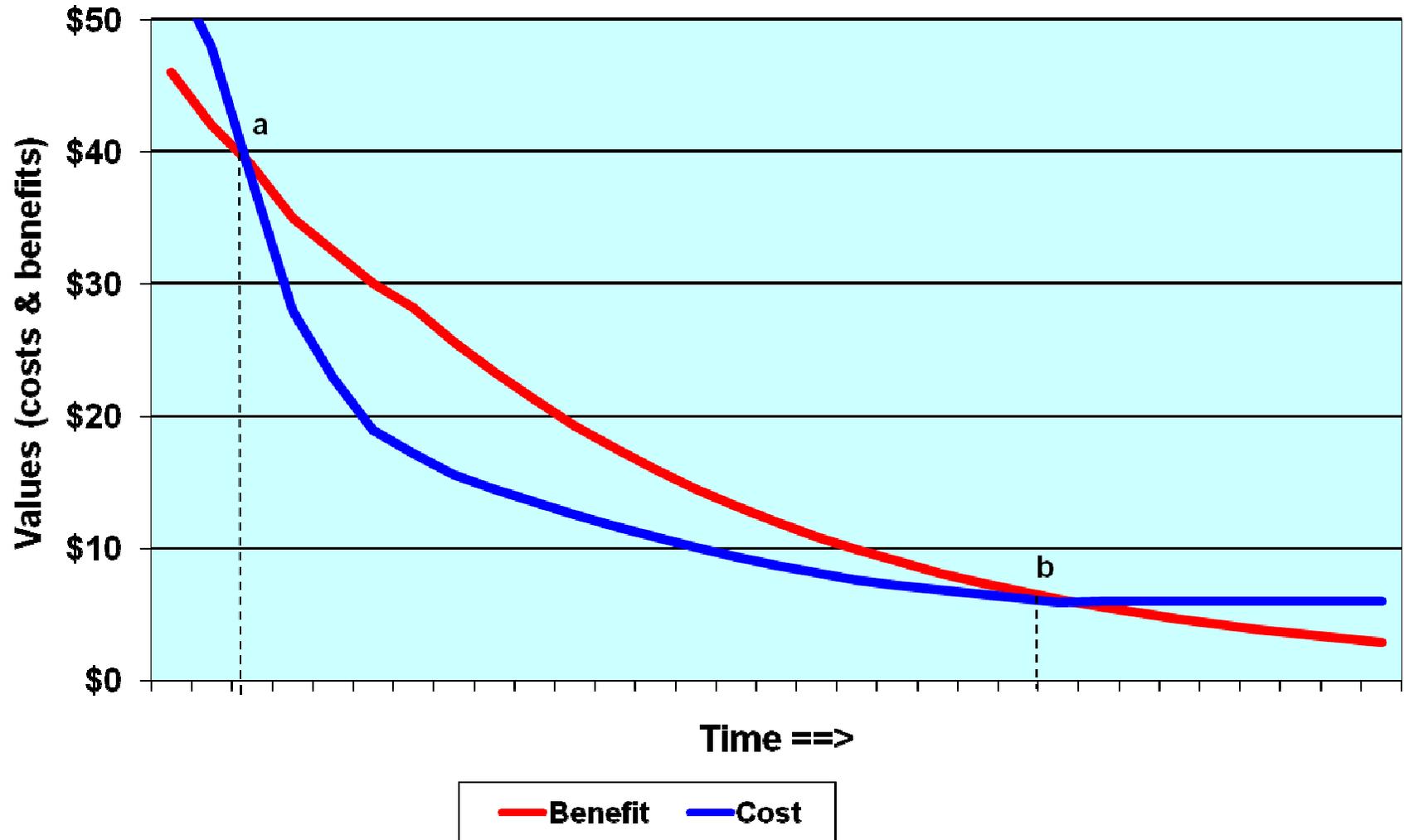
- Resources (money, effort) should be in support of a specific business need
- Business case captures both quantifiable aspects and unquantifiable aspects
- Mine Action may need higher level (global) business case, plus country specific cases or even 'one component' plans.

Elements of Mine Action Business Case

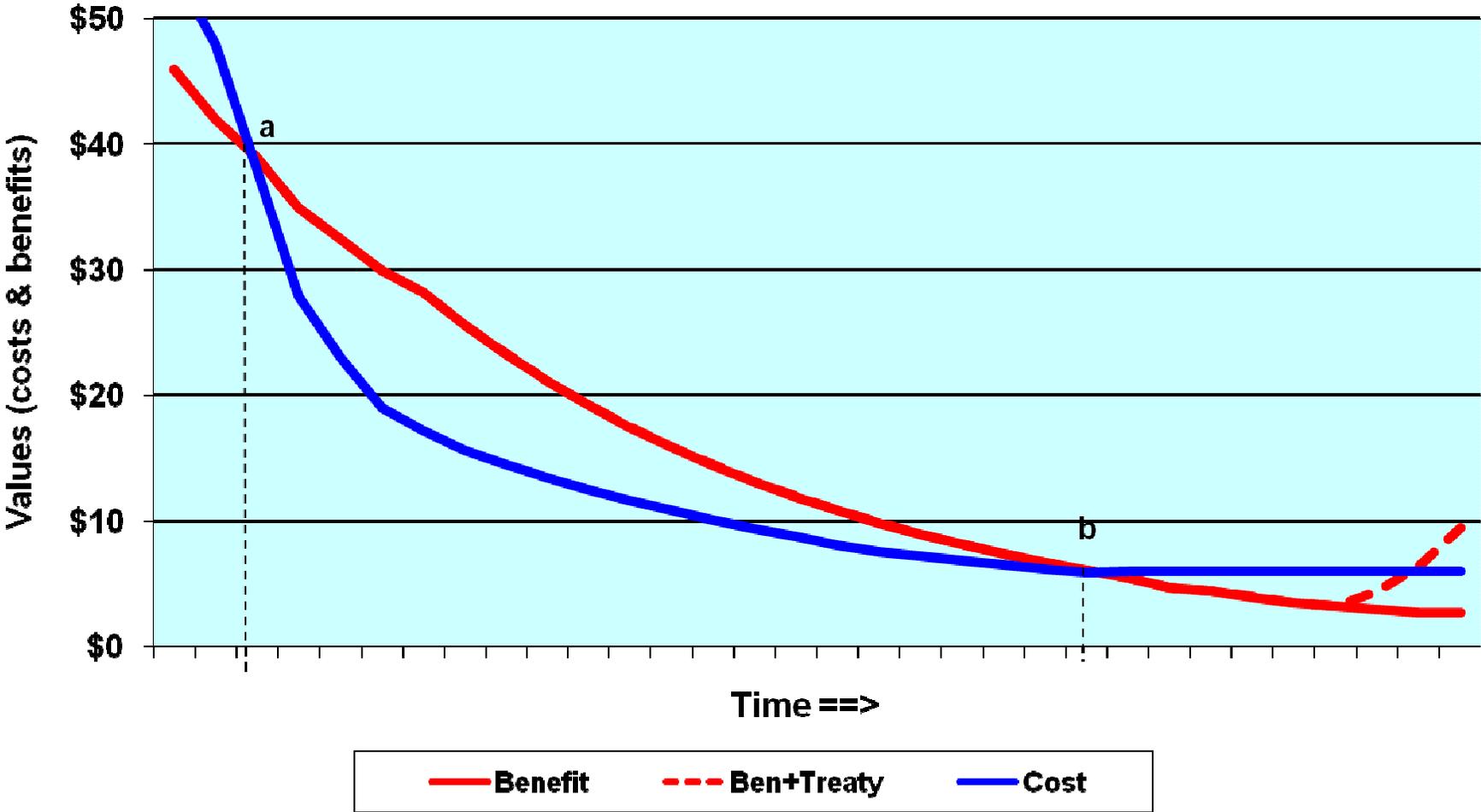
- Defined state of completion
- Credible organization and capacity
- Financing plan (including appropriate level of affected government contribution)
- Agreed quality and standard of work
- Plan for residual capacity

Socio-economic Analysis for Completion

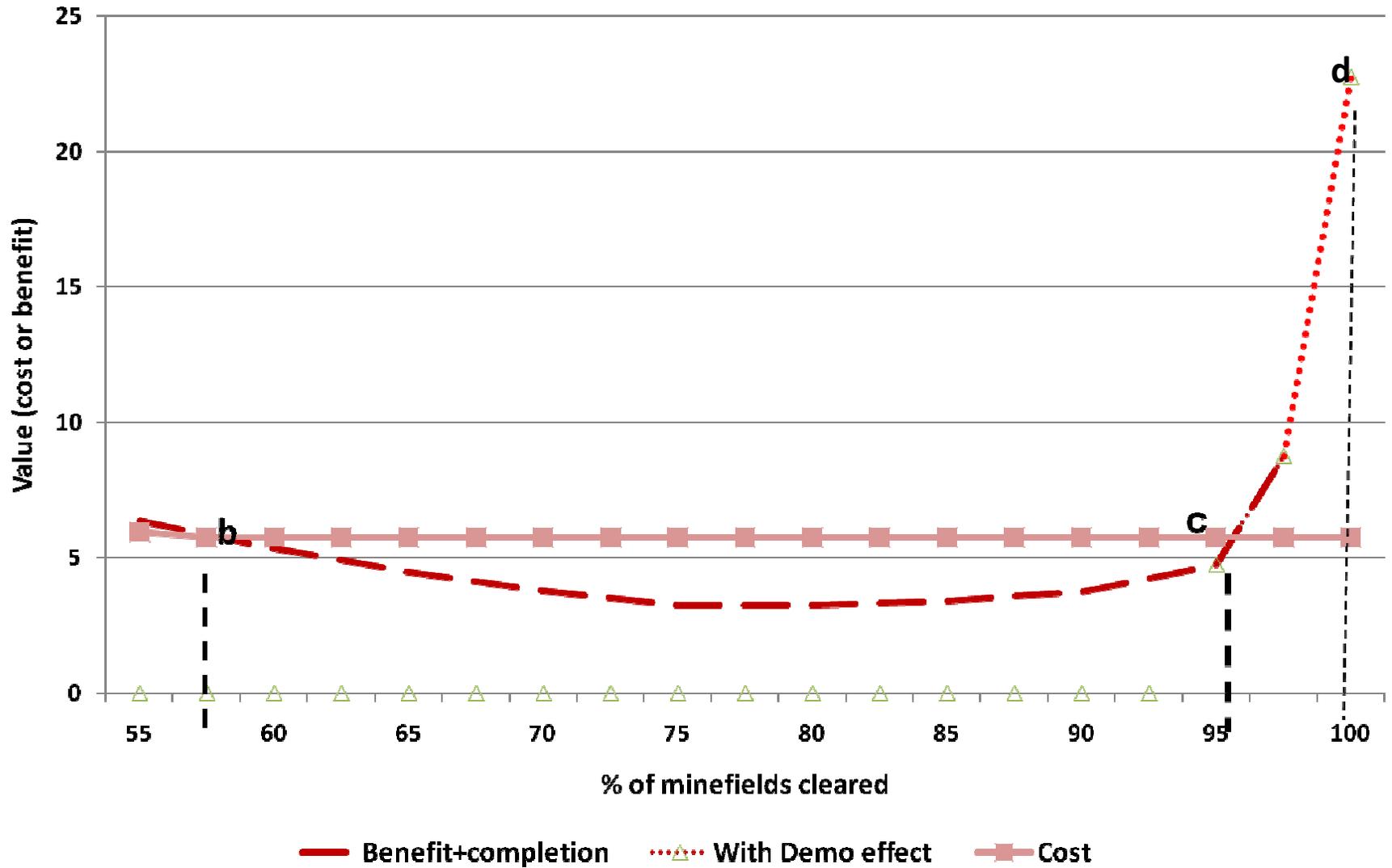
Evolution of Costs & Benefits in a mine action programme



Unit Costs & Benefits, with 'completion benefit' added



The End Game



Common problems in getting past Point 'b'

- Information problem – what will the completion point prove to be?
 - Scope of the problem – AP mines; other mines; UXO; abandoned stockpiles...?
 - Difficulties in getting complete & accurate results from contamination surveys
- Incentive problems
 - Stakeholders who are not paying may have incentives to expand the problem
- These problems raise the risk of a 'Samaritan's Dilemma'

Changing the game: addressing incentives and information problems

- Traditional aid delivery & incentives
 - Financing inputs & activities
 - No incentive to complete a task, a district, a country
- Results-Based Aid & incentives
 - Pay for results (e.g. Cash on Delivery aid)
 - Incentive to achieve the result or performance target
- Deal with information problems in a contract for completion
 - Agree on the completion point (e.g. all ‘known mined areas’)

Managing Results-Based Aid

1. Agree a clear performance target
 - Issue – additional ‘known mined areas’ might be discovered (or reported) before or after completion
 - Do not commit past the agreed target or risk Samaritan's Dilemma
 - Clear government policy needed in advance on what constitutes a ‘known mined area’
 - Plans for capacity to address residual risk should be part of the agreement
2. Agree on price and payment terms
 - Significant proportion of total payment made after results achieved
3. Agree on Quality Management provisions
 - Can we do this for demining? Yes!
4. Stand back & let the host country deliver the result

Case Studies

- TOR calls for 'completion list' useful for MASG
- **APMBC**
 - Burundi, Mozambique, Niger
- **CCM**
 - Bosnia, Chile, Grenada, Lebanon, Mauritania, Montenegro
- **Non-Convention countries**
 - Azerbaijan, Libya, Sri Lanka

Recommendations for MASG

- Acknowledge more than 'one' completion
- Agree desired state of 'completion' best defined by affected country
- Acknowledge on-going ERW problem
- Support United Nations to further develop 'Completion Initiative'
- Focus on two to three countries per year