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

![Graph showing the evolution of costs and benefits over time. The graph has a vertical axis labeled 'Values (costs & benefits)' with values ranging from $0 to $50, and a horizontal axis labeled 'Time ==>'. Two curves are present: one red curve labeled 'Benefit' and one blue curve labeled 'Cost'. The graph highlights points a and b.](image)
Unit Costs & Benefits, with ‘completion benefit’ added

Values (costs & benefits)

Time ==>
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