

**SUPPORT TO PARTNERSHIP FOR PEACE TRUST FUND PROJECTS**  
**BY THE NATO MAINTENANCE AND SUPPLY AGENCY (NAMSA)**  
**PRESENTATION TO INTERNATIONAL CAMPAIGN TO BAN LANDMINES,**  
**STANDING COMMITTEE ON STOCKPILE DESTRUCTION IN GENEVA**  
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The aim of this presentation is to inform you of the NATO Trust Fund Project process, the role that NAMSA plays, to give you an overview of those that have been completed, are underway or are planned projects in support of the fund particularly in respect of anti-personnel landmine stockpiles. In doing so it will also highlight some of the lessons learned and the planning principles used by the Trust Fund. It will not only inform you of the operational dimension but will highlight some important policy areas which directly affect the way NAMSA does business within the process

It will also raise some current issues affecting the destruction of anti-personnel landmine stockpiles from NATO and NAMSA's perspective. In particular how different interpretations of the articles of the Ottawa Convention may affect the progress of projects and how NAMSA's experience of anti-personnel landmine stockpile destruction disproves the perception that Open Detonation is the cheapest and easiest option.

The Partnership for Peace Trust Fund is actually a mechanism by which Member Nations of the NATO Alliance voluntarily provide assistance to Partnership for Peace nations to address a problem. There is no 'fund' as such assistance is provided on a case by case basis and there is no compunction on any nation to support such initiatives.

Any of the 27 countries that make up the Partnership for Peace may apply for assistance from the Trust Fund. Of course many of the partner nations do not require such assistance and indeed some, such as Austria, Finland, Sweden and Switzerland are very active in providing support to the projects. Additionally, the Federal Republic of Serbia and Montenegro and the Federation of Bosnia-Herzegovina are likely to apply for membership very soon and are already receiving assistance from the Trust Fund under the auspices of the South East European initiative (SEEI).

A key agreement, without which NAMSA is unable to operate, is the Memorandum of Understanding (MoU). This is an umbrella agreement which enables NAMSA to operate in a country other than a NATO member country. The MoU is supplemented by a project-specific Implementing Agreement issued as an Annex to the MoU. Currently NAMSA has finalised MoUs with 18 nations and is negotiating a further five. In addition a Service Level Agreement was finalised with Serbia & Montenegro enable a project to be addressed under the Trust Fund system.

The Pfp Trust Fund was initially established in 2000 as a mechanism to enable partner nations to meet their obligations to dispose of anti-personnel landmines under the Ottawa Convention. In 2001 it was expanded to address the disposal requirements of small arms and light weapons, which pose particular security risks associated with arms trafficking and, in principle, all conventional munitions. In November 2002 it was further expanded to cover any area of the Partnership work programmes, primarily in Defence Reform activities.

The process for implementing NATO Pfp Trust Fund projects is now firmly established. A project must be co-sponsored by a NATO nation and, perhaps obviously, the Partner nation itself. Any nation or international organisation may donate funds to the project. Thirdly any contracts let in connection with the project will only initially be offered to agencies and companies from within the sponsoring or donor countries or organisations. In principle this will include all the countries within a supra-national organisation, such as the EU or OSCE, although practically some form of pre-selection will be necessary if this is manageable. The EU has provided funds for the first time this year to support a project in Albania

There are a distinct number of stages of development and certain legal agreements that must be put in place before a potential project can be implemented. They are summarised in this slide and, although they do not necessarily have to occur in this order, all must be addressed from the point that a partner nation identifies and puts forward a proposal, until NAMSA is in a position to execute it on behalf of the Fund. It also summarises the areas the Agency would address in its execution.

NAMSA has almost twelve years experience of the disposal of surplus and obsolete ammunition for NATO. It was a logical extension of this that, when the Trust Fund was looking for technical support for demilitarization activities, it turned to NAMSA, which became the agency of choice to provide technical support to the Trust Fund. To date this has been as the full Executing Agent to undertake a feasibility study into a particular requirement and prepare a fully costed proposal to achieve the aim. Once accepted NAMSA has been tasked with implementing and managing the projects to completion on behalf of the fund. This is likely to be the case in the future but, should another agency be used then NAMSA is available to provide any additional technical support the Fund would require.

NAMSA is tasked by a formal Letter of Intent to undertake feasibility studies and produce proposals detailing budgetary costs, methodology and timeframe for approval by the Trust Fund. The Feasibility Study will examine all relevant technical data, undertake visits and detailed technical discussions aimed at assessing the full extent of the task, the assets necessary to address the task, the capability of the host nation, the shortfall in that capability, the options to overcome any shortfall including enhancing the capability or using third party facilities.

To date NAMSA has undertaken and completed four PfP Trust Fund projects, is currently managing two live projects and is developing a further six. Informal discussions continue between partner nations, NATO Headquarters and NAMSA to identify several more.

The first Trust Fund Project was in Albania for the destruction of 1.6 million anti-personnel mines. This commenced in January 2000 and was completed in April 2002, ahead of schedule and under budget in spite of the fact that almost 75,000 additional mines were demilitarised against the original plan. The project necessitated the refurbishment of process buildings, equipment and other facilities within a former munitions factory. The project was labour intensive using manual methods to break down the mines which had a beneficial socio-economic impact on an area of high unemployment creating up to 70 jobs at the height of the project. The 192 tonnes of TNT explosives recovered from the mines were recycled to make almost 2,000 tonnes of commercial explosive and 1,100 tonnes of ferrous materials were recycled into manhole covers and steel reinforcing bars.

The Moldova project, which is covered in a later presentation involved the elimination of 325 tonnes of Melanj rocket fuel oxidiser, stored at Danceni close to the capital Chisinau, by a commercial contractor. In addition, the Molodvan army destroyed 12,000 PMN-type anti-personnel mines and 300 tonnes of surplus conventional missiles, mainly missile warheads, by open detonation. In preparation for that Moldovan military engineers were trained to NATO standards in demolition techniques at the UK Army School of Ammunition. An access road onto the demolition ground area at Bulboaka was funded by the Trust Fund and constructed by the Moldovan Ministry of Defence. This project ran from November 2001 to December 2002.

A project for the destruction of 400,000 PMN and PMN-2 mines was undertaken in Ukraine between February 2002 and May 2003. Contracts were established with the State Committee for Military Industry, the Ministry of Defence and Spivdruzhnist Scientific Technology Centre to transport mines from 19 storage locations to a factory at Donetsk and destroy the mines. Operational and financial methodologies were agreed and established within these contracts, refurbishment of processing and storage areas and installation of equipment was provided by the Fund. The NATO Secretary General opened the refurbished buildings in July 2002 in a short ceremony. The project was successfully completed ahead of time and within budget. Plastic recovered from the mines is being recycled into children's toys as illustrated here.

This is a small project to destroy 23,000 Small Arms and Light Weapons in Serbia and Montenegro (SAM). The project, which was planned as a four months programme, started in September 2003 at a military maintenance facility at Čačak in central Serbia. A small investment was made in improving Health and Safety measures on machinery. Because of delays in implementation and with winter approaching Čačak instituted a double shift system and completed the task in just over 6 weeks. This early completion in turn reduced overhead costs allowing an additional 4,500 weapons to be destroyed. These are being identified and will be destroyed in the near future.

A second demilitarization project began in Albania in December 2002. This is a four year project aimed at destroying some 11.000 tonnes of small arms and light weapons ammunition, at a cost of Euro 6.4 million and will further provide Albania with essential demilitarization capability. Albania currently holds almost 150.000 tonnes of obsolete ammunition. After several months of technical and logistic preparation demilitarization commenced in October 2003. A key feature of the project is the purchase of high capacity incineration equipment. This is also the first project that has secured funding from the European Union.

A new project has just been initiated in Georgia. It aims to destroy 309 anti-aircraft missiles, stored at bases in Ponichala and Chaladidi, and clear up to 10,000 hectares of unexploded ordnance contaminated land, at a training area near Vaziani,. The project is led by Luxembourg with the support of 8 other nations. Local Georgian specialist companies will be contracted to undertake the tasks supervised and assisted by a UK technical specialist. Contract negotiations and final detailed planning is underway this week in Tbilisi.

A total of six other projects are at various stages of development, which are summarised below. Preliminary diss are also in hand for possible projects in Kazakhstan, Moldova, Kyrgyz Republic and Bosnia Herezegovena.

A proposal has been made for the clearance of unexploded ordnance (UXO) located at a destroyed former ammunition depot at Saloglu in north west Azerbaijan. The project will include the search for, location, identification and destruction of UXO by open detonation. Items that do not contain explosives will be collected and transported to a steel works for recycling. This project was prepared at the request of Turkey, acting as Lead Nation, and fund raising towards the total of EUR 1.6 million is underway.

A study was carried out, at the request of Germany, Greece and Turkey, into a project for the destruction of 1.5 million small arms and light weapons and 133.000 tonnes of conventional munitions in Ukraine between Novemebr 2002 and July 2003. This is an extremely large project requiring the refurbishment of two demilitarization facilities in eastern Ukraine and establishing a third in the west as well as the provision of large quantities of sophisticated equipment. The proposal, which costed the project at around EUR 75 million, was presented to the PMSC in October 2003 and discussions continue.

At the request of the United Kingdom a feasibility study into the destruction of 1,700 tonnes of pesticides held in over 350 sites throughout Moldova was initiated in November 2003. The project will be phased to enable the repacking and centralisation of stocks to occur first followed by destruction in due course. The proposal for Phase 1 has been drafted and will be presented shortly.

At the request of the Uzbek Government it is planned for a NATO expert delegation to visit in early 2004 with a view to initiating a project to destroy over 1,000 tonnes of Melanj and 5,500 tonnes of conventional munitions. No Lead Nation has yet been identified but Turkey and Finland have shown some interest in taking on the role. This would be the first time that another PfP country has acted as Lead Nation, which would be an important precedent.

At the request of Canada a pre-feasibility study was undertaken in August 2003, with a full feasibility study to be carried out from January to May 2004, into the destruction of Belarus' entire anti-personnel landmine (APL) stockpile. The proposal will be submitted in two phases, phase 1 to deal with about 900,000 conventional APL and phase 2 to address the destruction of 3.9 million PfM1 APL. The phase 1 study is

almost complete and NAMSA's initial thoughts are summarised later. In terms of the PFM1 the NAMSA study is taking a more pragmatic approach than some of the more scientific and theoretical studies undertaken by others. We are in consultation with the demilitarization industry who have vast experience in dealing with munitions, chemicals and explosives that, in our view, pose as many engineering, environmental and explosive risks and problems as these mines. We are confident a solution will be forthcoming

The Belarus stockpile is held in three locations; Garadoc, Dobroc and Rechitsa as shown on this map. The total conventional stockpile is held at Rechitsa and PFM1 mines are held in all three. Over 600,000 mines loaded in artillery projectiles are concentrated at Garadoc, over 400,00 mines loaded into rockets are held at Dobroc and the rest, some 2 ½ million loaded into other dispensers, are held at Rechitsa.

This slide summarises the stockpile and the likely disposal methods. MON series directional mines are likely to be retained but it will be recommended that there should be a 100% inspection of the stock and removal of the capability for victim activation. The remainder of the conventional mines will be destroyed by a combination of demilitarization and some open detonation, where appropriate. Belarus has no demilitarization capability so NAMSA is currently exploring the possibility of moving the mines to Ukraine for processing in the facility established as part of the Ukraine I PFP Trust Fund project

At the request of Canada a pre-feasibility study was undertaken in September 2003, with a full feasibility study to be carried out from January to April 2004 into the destruction of the anti-personnel landmine (APL) stockpile of Serbia and Montenegro. This consists of about 1.3 million conventional APL. The likely approach will be to use an industrial demilitarization process to breakdown the mines and recycle the raw materials. Certain mines cannot be broken down safely and would be destroyed by open detonation.

There are a number of issues that could potentially affect NAMSA's involvement in APL Stockpile destruction. NATO's motivation and imperatives are primarily concerned with security and stability issues but also with instituting NATO military standards and western standards for environmental, health and safety issues. The humanitarian dimension is really a bonus. As a result NATO cannot accept some of the expedient measures used in some countries by some agencies where these issues are considered secondary to the humanitarian imperative. Two main areas of concern are currently being addressed.

Firstly and perhaps surprisingly the definition of when a mine is an APL and when it's not has caused some problems. In the original English (and French) text it specifies that an APL is a mine that is designed to be victim activated. I understand that this distinction has been lost in some translations such as the Russian version. This can lead to differences of opinion as to what is to be included in a stockpile and what can be excluded.

NAMSA and NATO believe that the design criteria is critical. We believe unequivocally that a munition that was designed only to function as a mine, i.e. victim activated cannot be just simply modified to remove it from a stockpile. We believe that the compromise that allows mines with a dual capability, both victim or operator initiated such as the MON series, MRUD and claymore mines, can be excluded if suitably and verifiably modified and then we feel a n operational and technical justification should be made in each case – although I have to say I feel it was a dangerous precedent that has added confusion to what was a clear definition. We do not believe that mines that were only designed to be victim activated should be excluded at any time. We do not believe that this has any operational merit, what military use is an omni-directional weapon other than as a mine, we believe that in most case it would not technically be possible to irrevocably remove the capability to function as a mine and if it was why are we spending so much money around the world destroying stockpiles if we can modify to remove the problem

Another area that causes concern is the use of open detonation for mines destruction. Certain agencies suggest that it is the cheapest and most effective method and therefore should be the method of first choice.. My experience indicates that this is not the case. While accepting that it may be the only appropriate method in some instances where small quantities of mines are involved, where a country is undeveloped or lacks a

demilitarization capability and export for demilitarization is not practicable. However this should be, in our opinion, the method of last not first resort. Too little consideration is given to the problems of open detonation including environmental impact, the difficulties of doing this safely, in a timely way and cost effectively.

A comparison of a number of mines disposal projects undertaken by NAMSA with those undertaken in both developed and undeveloped countries shows that in just financial terms demilitarization is no more expensive and, in most cases, is actually cheaper than open detonation as this table indicates.

In summary we believe the NATO Pfp Trust Fund is well developed and has much to offer in facilitating the destruction of military stockpiles including APL. The Trust Fund is intended to support NATO objectives and NATO's view on some APL issues may, therefore, differ from other agencies but our ultimate aim is still to eliminate these weapons. NAMSA has the task on behalf of NATO to carry out these tasks successfully.

**THE NATO PARTNERSHIP FOR PEACE TRUST FUND**  
**THE PROCESS AND THE ROLE OF**  
**THE NATO MAINTENANCE AND SUPPLY AGENCY (NAMSA)**

**General**

1. The NATO Partnership for Peace (PfP) Trust Fund was established in November 2000, as a mechanism to assist PfP nations to destroy anti-personnel mine stockpiles under the Ottawa Treaty. Since then it has been extended to encompass destruction of Small Arms and Light Weapons (SALW) and conventional ammunition and logistic support to defence reform activity.
2. Projects are considered on a case-by-case, project-based footing. Nations are responsible for developing proposals and presenting them to a special meeting of the PMSC in EAPC/PfP format. A proposal must be sponsored by at least one NATO member and one Partner nation, normally the host nation, with overall responsibility for the development of the proposal, for securing project funding and reporting on project progress.

**Agreements**

3. In order for NAMSA to undertake this work, a number of Agreements will need to be prepared these include:

3.1. Memorandum of Understanding (MoU) between the Partner Country and NAMSA which is the umbrella agreement enabling NAMSA to work in the country.

3.2. An Implementing Agreement between the Partner Country and NAMSA as an annex to the MoU specifying the obligations of each in implementing the project.

3.3. Executing Agent Agreement between the Lead Nation and NAMSA specifying the obligations of each in implementing the project.

3.4. Financial Management Agreement between the Lead Nation, NATO Financial Controller and donors to formalise pledges sufficient to implement the project. NAMSA is only able to enter into commitments when sufficient funds had been committed by donor nations.

**Feasibility Study**

4. NAMSA is tasked by a Letter of Intent (LOI) to undertake the Feasibility Study and produce a proposal detailing budgetary costs methodology and timeframe for approval by the Trust Fund. The LOI will specify the requirement to be addressed and will include the fee to be paid to NAMSA to cover travel, subsistence and personnel costs.

5. The Feasibility Study will examine all relevant technical data, undertake visits and detailed technical discussions aimed at assessing the full extent of the task, the requirements to address the task, the capability of the host nation, the shortfall in that capability, the options to overcome any shortfall including enhancing the capability or using third party facilities. It will include the following:

5.1. Full technical information relating to the ammunition and weapons stockpile, including site visits where appropriate.

5.2. Assessment of the demilitarisation requirement, options and potential disposal methodologies appropriate to the stockpile including discussions with industry where applicable.

5.3. Assessment of existing in-country demilitarization capacity and identification of future additional demilitarization resources against the requirement.

5.4. Identification of potential in-country and external sources for demilitarisation and other equipment, logistic support, specialist skills, training capacity etc with costs.

5.5. Consider the effect of relevant policy, operational and other activity on the project.

### **Project Proposal**

6. The Feasibility Study will result in the preparation of a full technical proposal detailing options considered, recommended solution, timeframe for implementation, accurate budgetary costs, possible suppliers etc. The contents of the proposal are summarised below.

7. Outline Concept. The proposal will include a statement of the overall concept for the project, identifying specific technical and operational aims, assumptions and, where appropriate, any options that were considered and accepted or rejected. It will also include a timeframe for the project broken down into phases.

8. Stockpile Details. The proposal will summarise details of the stockpile in terms of quantities, types, condition, location and other relevant information. It will also include if applicable any riders concerning the veracity of the information and plans for future subsequent verification. It may also provide technical information to illustrate the stockpile.

9. Demilitarization Methods. NAMSA favours environmentally benign demilitarisation methods which normally precludes expedient solutions such as open detonation. The proposal will identify the methods and equipment to be utilised in support of the project. The usual aim will be to source the majority of equipment and tools in-country to minimise costs and to maximise the socio-economic benefit to the country. Where these are not available, such as in the supply and installation of major demilitarization equipment these will be purchased internationally under NAMSA's normal rules of competition, unless a contributing nation or agency offers to supply the equipment as its contribution to the project. The proposal will identify details of the methodologies to be employed, key equipments and outline technical specifications.

10. Demilitarization Facilities. The proposal will identify and assess any existing in-country demilitarisation facilities with recommendations for enhancements to infrastructure, facilities and training to overcome any identify skill gaps.

11. Logistics. The proposal will identify the logistic support required for the project, and in-country or, where appropriate, external sources of supply for that support. Logistics could include security provision, selection, inspection, repacking and loading /unloading of weapons and ammunition, transportation, storage and provision of office facilities.

12. Acquisition Plan. The proposal will provide an outline of the acquisition plan for equipment and services in line with the proposed timeframe of the project. The plan will specify how and when NAMSA will issue Requests for Proposal (RFP) for the supply, installation and commissioning of equipment and provision of services. These RFP will include technical requirements, statements of work, timeframes for delivery and other contractual requirements.

13. Project Management. The proposal will identify the general management structure for the project including the NAMSA Luxembourg-based support and its in-country project supervision, verification and auditing team. This will identify the mix of international and national staff making up the team and provide job descriptions for the key posts.

14. Financial Estimate. The proposal will include a detailed budgetary cost estimate for the project. It will include a breakdown of the calculations and assumptions on which the budget was arrived at and will include the cost of key equipments, services and other capital expenditure, salaries, operational costs, insurances, travel, administrative costs including NAMSA charges and any contingency.

15. Media Plan. Guidelines for the Trust Fund require that a Media Plan should be submitted as part of the project proposal, this will be provided in outline and identify any specific media events or activities, including the use of specialist advisors, where appropriate.

## **Project Implementation**

16. Once the proposal is accepted and agreements are finalised NAMSA can undertake full implementation as Executing Agent. This will involve Project Management and real time supervision, issuing and assessing requests for bids to contractors, letting and managing contracts and sub-contracts, authorizing payments, verification and auditing of contractors, producing reports to NATO HQ and Lead Nation. The main activities are summarised below.

17. Personnel Recruitment. NAMSA will normally employ its Project Management team on consultant contracts, negotiated and administered by NAMSA's Procurement and Personnel Divisions, following a formal recruitment process from a list of candidates both for international and national personnel. Consultant contracts will cover fees, travel expenses, reimbursement for incidental expenditure, working hours and entitlement to leave. Personnel will also normally attend a short training period at NAMSA, Luxembourg for familiarization in NAMSA procedures as well as pre-project briefing.

18. Contracting. All contracts to undertake tasks, services or provide equipment will be done through the normal formal NAMSA contract procedure. This will include:

18.1. Request for Proposal. Formal Request for Proposals (RFP) including detailed Statements of Work are produced for all activities. The Statement of Work will normally detail required outputs and specified technical, environmental and other limitations but will not specify how the contractor should do the work. The RFP is issued to selected sources identified through the NAMSA Source File system.

18.2. Bidder's Conference. For technically complex or high risk activity a Bidder's Conference may be convened. This will normally take place in-country and at the operational site. In certain instances attendance is deemed compulsory and bids will only be accepted from sources that are represented at the conference.

18.3. Award of Contract. On receipt of bids the normal NAMSA contractual award process is applied to select the contractor. This involves scrutiny of the technical content of the bids and responses to any supplementary questions from NAMSA to confirm which, if any bids are technically compliant. It is only after that compliance is assured that the price offered by the contractor is considered. The compliant contractor who offers the lowest price is normally awarded the contract.

18.4. Importation of Equipment. NAMSA and its local representative will assist in securing the necessary export and import documentation from the in-country authorities. Much equipment used in demilitarisation may be classed as dual purpose and require special authorization to both import into the project country and export from the home country.

18.5. Training. Where training is necessary as part of the capacity building part of a project, such as for host nation military or technical personnel, NAMSA can identify the type of training necessary, identify sources to provide the training and contract the source to undertake the training. NAMSA will visit the training establishment to ensure that the training is as required.

18.6. Operational Phase. NAMSA will be present to assist, advise and supervise all stages of the operation from the move onto site, commissioning, training, completion and demobilisation. This will ensure that operations are undertaken safely, adequately, on time and in line with contractual requirements.

19. Project Management. These projects are managed by the PFP Projects Group of the Ammunition Section under direction of the Programme Manager of NAMSA's Special Projects Programme. NAMSA's supporting divisions responsible for finance and contracting provide additional support. Specific management tools employed to support these projects include:

19.1. Project Plan and Milestones. The guide for managing the project, including the milestones and detailed budget, is provided by the project proposal. Approval for any significant deviations are sought from the lead nation.



19.2. Coordination of Effort. Regular project management meetings and a system of written reporting ensure the distribution of information at all levels. These include:

19.2.1. Weekly coordination meetings held by the Programme Manager of the Special Projects Programme which are attended by project management, finance and contracting personnel.

19.2.2. A weekly situation report is sent to the Director of Logistics Programmes and Operations, who distributes it to the General Manager and the other Directors.

19.2.3. NAMSA's project management staff maintain close contact with the in-country supervisory team who submit regular written reports.

19.2.4. A NAMSA Representative will verify and certify all contractor invoices before forwarding them to NAMSA.

19.2.5. NAMSA provides written quarterly reports to the Lead Nation, which are also copied to the International Staff at NATO Headquarters. On the completion of the project a comprehensive Final report is written that will highlight the achievements, progress and lessons learnt from the project.

19.2.6. NAMSA Luxembourg staff undertake regular in-country project management visits to observe and monitor the project and discuss relevant matters with in-country authorities.

19.3. Contract Management. PfP Projects Group prepare Statements of Work for all contracts including those for internationally and locally employed personnel, operational activities, transportation and other services and tasks. These are passed to the Special Projects Programme's specialist contracting personnel for contracts to be prepared, negotiated and issued.

19.4. Financial Management. NAMSA considers it essential that projects are managed to a successful conclusion within budget. Given the limited time and resources available for developing PfP Trust Fund proposals and the difficulty of budgeting for what are often innovative processes, it is essential to retain a certain degree of flexibility. Budgetary control is a continuous process, which is reviewed against a weekly financial statement prepared by the programme's finance staff. A financial statement was also included with the project reports sent every 3 months to the Lead Nation. Routine financial work of processing and paying invoices against the various contracts is conducted in accordance with NAMSA's normal procedures.

### **Summary of the Process**

20. The Process can summarised in the following chart:

