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# paper 53

Analysis of and  
recommendations for  
covering security  
relevant expenditures  
within and outside of  
official development  
assistance (ODA)

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## **1. Executive Summary**

The understanding that there is a close relationship between security and development not only finds increasing rhetorical support, but is also beginning to have operational consequences for development cooperation. Numerous activities in recipient countries aim at averting and resolving armed conflicts, stabilizing post-war situations, consolidating states by enforcing the rule of law, as well as reforming security institutions. If successful, these activities directly and/or indirectly promote economic development and welfare and may even hold the key to economic development. However, a large part of them do not count as Official Development Assistance (ODA) when armed forces are involved in the activities. This explains why there have been repeated calls for extending the ODA definition to cover a wider range of measures to improve peace and security as a condition for sustainable development. However, changes to the ODA definition not only have to be justifiable, but they also have to be based on a broad consensus in terms of development policy, as well as rule out the possibility of misuse and any disruption to the ODA time series. Because development assistance commitments are frequently tied to ODA, any expansion of the ODA definition that has substantial quantitative implications is problematic.

Given the intrinsic logic of the ODA definition, the latter's credibility, the integrity of the ODA time series and confidence in political pledges made under the existing ODA definition, it is advisable to continue to exclude all activities in which the armed forces participate. Exceptions should be made only in cases where the armed forces are instruments—but not principal actors—in activities justified and steered by development objectives, and where the financial scope is limited. Already today, the ODA definition provides for such exceptions, such as in the area of humanitarian aid.

The first conclusion from this line of argument is to recommend a very limited extension of the ODA definition to include clearly defined measures for the use of military capacities in civil conflict prevention, civil supervision and control of security sector reform, as well as in the area of practical disarmament and the control and destruction of small weapons.

The second conclusion drawn from the above argument is to suggest a widening of the OECD DAC reporting outside of ODA, which could be called OSA (Official Security Assistance). This

would provide an opportunity for member states to report expenditures which—while non-ODA attributable—are in line with ODA ground rules with respect to objectives (promotion of economic development and welfare) and grant elements. The OECD DAC reporting system offers a starting point by permitting members to report expenditures on UN peacebuilding operations (Line V.2). Keeping it separate, this OECD DAC reporting system could be expanded into a full-fledged reporting category for expenditures on peace and security for the promotion of economic development and welfare. This could be called, for instance, Official Security, Peace and Stability Assistance (OSA). Arms exports and armament supplies should be excluded from OSA attributions, as these activities are marked by a high potential of misuse. OSA could have a size equivalent to at least 25 percent of current ODA. It should be a means for members desirous of showing their commitment to security, peace and stability to bolster economic development and welfare beyond ODA contributions. The strict separation between ODA and OSA would stress their different character—the former primarily civilian and the latter military in nature; the former directly promoting and the latter indirectly promoting economic development and welfare.

## 2. The Problem

Security and development are interwoven. Military conflicts, armed social and ethnic conflicts, crime and government oppression are massive impediments to economic and social development, as well as to the welfare of individuals (Collier et al., 2003; UNDP, 2003; OECD, 2004c). Safeguarding against such threats so as to ensure the greatest level of security—with peace defined as the absence of war at its core—is increasingly viewed as a prerequisite for sustainable economic development<sup>1</sup>. Conversely, economic and social development is important for attaining a higher level of security as numerous empirical surveys on warfare, conflicts, crime and repression by governments have shown (Collier et al, 2003).

That there is a close link between security and development is largely valid irrespective of the definition of security. The link is less obvious in a very traditional understanding of security, namely the view that security policy is about defending the integrity of a state. More modern definitions of security cover further threats such as the concept of ‘human security’ pursued by countries grouped under the Human Security Network—a concept that includes all physical threats to humans ([www.humansecuritynetwork.org/](http://www.humansecuritynetwork.org/))<sup>2</sup>. Other concepts of security go even further, such as the one of the German federal government—the concept of comprehensive security—which includes threats from the lack of opportunities for participation, justice and social development ([www.bmvg.de/sicherheit/grundlagen/-sivep\\_prinzipien.php](http://www.bmvg.de/sicherheit/grundlagen/-sivep_prinzipien.php)).

The widespread view of a close relationship between peace, security and development affects security, development and foreign policy, rendering it more difficult to coherently justify the demarcation of authority for particular policies, leading to an increase in policy overlaps. This development also gives rise to numerous new options for the integration of measures which hitherto were isolated from one another, closing gaps that came

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<sup>1</sup> “OECD member countries acknowledge the view that development and security are intricately linked” (OECD, 2004c, p. 1).

<sup>2</sup> In this paper, we will use the word ‘security’ in a broad sense as an umbrella term to denote the avoidance and deflection of the use and threat of physical force. Peace, the avoidance of militant means of settling conflicts, crime reduction, etc. are elements of security.

in the wake of the earlier compartmentalization of policy areas. However, it also causes problems in the allotment of objectives, strategies, instruments and authorities. Top issues on the new security and development agenda are civil conflict prevention, conflict resolution, peacebuilding, peace consolidation and peace-support operations with military means, failing governments, security sector reform, as well as measures against international terrorism.

The growing acceptance of an integrative approach for the advancement of security, peace and development has led to problems with the recording of Official Development Assistance (ODA) of the OECD's Development Assistance Committee (DAC).

ODA is expected to reflect the activities of a donor country for the promotion of economic development and welfare in recipient countries on the basis of a set of common ground rules. Since designing and adopting new approaches and instruments is a common feature of development policy and practice, the definition of what ODA is supposed to be must be regularly adapted. The ODA demarcation line against funding that does not meet certain basic criteria must be clear, transparent and logical. For the sake of the integrity of development policy, and because of the fact that financial targets in development assistance are frequently linked to ODA, change must also be based on broad consensus.

This short study aims to stake out the options for better capturing the implications of the growing conception that development, conflict, security and peace are interdependent for the OECD DAC's reporting system, within and outside of ODA. It discusses various ideas, approaches and proposals from different OECD member countries, as well as from other sources. The objective is to find an answer to the question as to whether a bold expansion of the ODA definition is justified and justifiable or whether alternatives, such as the creation of an expanded OECD DAC reporting system are preferable. Concrete proposals are outlined and discussed.

Before delving into this analysis, a brief history and practice of ODA is presented. This is followed by an outline of the criteria to bear in mind when discussing changes to the ODA definition. After this, central issues on the new security and development agenda are outlined. In the section that follows, a brief summary is given on the experience of selected member countries with the new agenda. The paper closes with recommendations deduced from

the earlier analysis, arguing for a very limited expansion of the ODA definition, as well as the parallel expansion of a particular element in the OECD DAC reporting system. This would serve to capture those expenditures on peace and security instruments capable of furthering economic development and welfare that are not presently considered a part of ODA.

### **3. Official Development Assistance (ODA)**

#### *3.1 Historical background*

Discussions about the link between security and development have marked modern development policy since its inception. In 1947, the United States provided Turkey and Greece with financial resources designed to boost both economic development and strengthen the military in these countries<sup>3</sup>. Security considerations were of paramount importance in the expansion of such programs: the aim was to knock the bottom out of communism by means of economic development. Alongside economic development programs, plans were put in place to strengthen the security forces, especially the military. In the initial, US-dominated, period of development cooperation, development assistance and military aid were considered as complementary programmes. In the 1950s, other countries also started to provide financial resources for economic development along more or less clear security lines. The wave of de-colonization at the end of the 1950s/beginning of the 1960s led to a surge in transfers to poor countries, as well as the formation of the Development Committee of the current Organisation for Economic Cooperation and Development (OECD) with the key donor countries as members and discussion on an exact definition of development assistance (Führer, 1994).

In the second half of the 1960s, persisting poverty in many parts of the world began to feature prominently in the political

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<sup>3</sup> President Truman declared early 1947 at the US Congress: "It must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures".

The US Congress granted US \$250 million and US \$150 million to Greece and Turkey respectively. At the same time, the Administration started to draft the blueprint for the European Recovery Programme which, from 1949, was implemented as the "Marshall Plan" ([encarta.msn.com/-/encyc-lo-pedia-\\_761557001\\_3/Harry\\_Truman.html](http://encarta.msn.com/-/encyc-lo-pedia-_761557001_3/Harry_Truman.html)).

programmes of many richer countries. Quantity targets for development assistance were set. A series of well-received international reports such as the 1967 Myrdal Report, the 1969 Pearson Report and the 1970 Tinbergen Report contributed to this growing attention. Underdevelopment was increasingly seen as a separate problem area; combining it with domestic economic and politico-strategic considerations was viewed as inhibiting and even counter-productive to overcoming the problem of underdevelopment. Still, security considerations continued to weigh heavily at the time of the Cold War between East and West. At the same time, a debate developed in the social sciences and beyond over the role of the military in the development process. The initial widespread conviction about the importance of the military as a factor of modernization gave way to an overwhelmingly critical assessment, due not least to the large number of coups in the 1960s (Janovitz, 1964; Albrecht and Sommer 1972; Brzoska, 1982).

On 24 October 1970, the UN General Assembly passed Resolution 2626 that adopted the proposal raised in the Pearson Report that donor countries should devote a 0.7 percent share of national income to official development assistance. OECD DAC member states agreed expressly to this target.

While these trends and events unfolded in the 1960s, a uniform reporting system for development assistance was negotiated within the OECD and among member states. Controversial issues were, for example, export promotion, aid tying and the calculation of the grant element in development assistance. Providing data in a uniform reporting system has been ongoing since 1969, with Official Development Assistance (ODA) as the core data series. In addition, other resource flows are also recorded in the OECD DAC reporting system.

The principles of the OECD DAC reporting system have remained while the details have regularly undergone changes. Whenever new approaches for development cooperation led to the adoption of new instruments, it was routine to review their implications for the reporting system. Frequently, the ODA definitions were adapted, as was the case for instruments for the promotion of democratization, environmental protection and, in



1994, UN peacebuilding missions. Such extensions generally met with much approval and little criticism from the outside<sup>4</sup>.

### *3.2 Categories of the DAC reporting system and the philosophy behind it*

#### 3.2.1 Common elements of the various reporting categories

Central to the OECD DAC reporting system is the idea to record the flow of resources from one group of countries to another—essentially, from donors to recipients. Thus, this data collection covers both resource flows generally described as ‘aid’, i.e. transfers without any corresponding financial return, as well as those transfers with no grant element which, however, are recorded in separate categories (OECD DAC, 2000).

The major aims of the reporting system are:

- to provide a data base for the quantitative internal and external evaluation of donors' policies;
- to make quantifiable the degree of compliance with various national and international recommendations and commitments of development assistance (OECD DAC 2000, p. 3).

OECD DAC data is largely compatible with balance of payments data. Deviations occur, firstly, due to the fact that some expenditures unrelated to the balance of payment are also recorded in OECD DAC, as in the case of technical cooperation. Secondly, some of the categories contained in balances of payment are excluded from the OECD DAC reporting system. Since the inception of the system, examples include resource flows to armed forces in recipient countries, such as:

- transfers of military equipment and military goods irrespective of their way of finance;
- direct contributions to military expenditure;

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<sup>4</sup> An example is the discussion on public goods the production of which is subsidised by development assistance. Opinions on this range from the call for development cooperation to focus on producing public goods (Kanbur, 2001) to the view that costs for the production of public goods should not be counted as ODA unless their main objective is directly to promote economic development (Anand, 2002).

- all forms of training for military personnel including training in civilian activities and human rights;
- expenditure on armed forces engaged in recipient countries, including those serving in emergencies.

An exception to this basic rule and considered as ODA-accountable (ODABLE) are the additional expenses on military personnel engaged in humanitarian assistance. In another deviation from the general rule, debt cancellation relating to earlier sales of arms and defence goods ('military debt') may be reported to the OECD. The cost of such debt relief is recorded in the OECD DAC reporting system under 'Other Official Flows', separate from ODA (see below, also Appendix Table 1).

No direct justification is presented in the relevant documents, particularly the DAC Statistical Reporting Directives, for the categorical exclusion of military transfers from the reporting system (OECD DAC, 2000).

The DAC directives contain, however, a number of annotations which are of relevance. Apart from the exclusion of resource flows to militaries, the following points are of particular interest for this study:

- In UN peacebuilding operations in post-war situations, certain activities are ODABLE even if the promotion of economic and social development is not necessarily the primary goal. Non-UN peacebuilding operations do not qualify. ODABLE activities include training in customs and border control procedures, as well as those incurred in the monitoring and retraining of police, repatriation and demobilization of armed groups including disposal of their weapons, support for demobilized soldiers, as well as mine clearance (OECD DAC 2004, code 208).
- All expenditures for UN-run and authorized peacebuilding operations can and should be reported to OECD DAC. However, these should be separated as is described below. They can include contributions to civilian, military and integrated operations of the United Nations as well as expenses on bilateral activities in support of UN operations and those authorized by the UN—minus costs which would have been incurred even if such assistance

had not been given (OECD DAC 2004, code 207). These expenses are not included in any of the other regular OECD DAC reporting categories. Along with the costs of the war on drugs, including those which are not primarily directed towards economic development, this data is collected in a special category (Line V) and presented separately in OECD statistics.

- Expenses for integration of demobilized military personnel in the civilian economy and converting production capacities from military to civil products are ODAble (OECD DAC 2000, code 209).
- In April 2004, the DAC issued a decision to make three more categories of expenditures ODAble. These are: measures to prevent the recruitment of children as soldiers, strengthening the role of the civil society in the promotion of security system reforms and civil supervision and democratic control of security sector expenditure (OECD DAC, 2004a).

### 3.2.2 ODA reporting category

The OECD DAC reporting system has several components, the most important of which is ODA.

The principles governing the definition of ODA (in the following called basic ODA rules, see also Appendix Table 1) are:

- resources come from the public sector;
- resources flow to nations on a list of recipient countries established by the DAC (DAC-1 list);
- resources convey a grant element of at least 25 percent;
- resources are administered with the promotion of economic development and welfare as their main objective.

Thus for ODA, the concessional character and the objectives of the transfer of resources from donors to specific recipients are of paramount importance. There are no fundamental restrictions regarding ways and means of achieving this objection, except that transfers to armed forces and of arms are excluded, as mentioned at the beginning of this section. What should be regarded as promoting economic development and welfare, and how to judge whether these are the main objectives of

expenditures are thus the subject of discussions between member states and the OECD Secretariat, and eventually a matter of negotiation among OECD DAC members.

The DAC directives operationalizing the basic ODA rules have constantly undergone adjustments to reflect opinions and new ideas over what promotes economic development and welfare. Such flexibility is the express wish of OECD DAC member states (OECD DAC, 2000, p. 3) and is also necessary to attain the goal of the reporting system, which is to provide a basis for the internal and external evaluation of donor policies. If relevant flows of resources are not covered, the reporting instrument will miss its target.

The above remarks on the inclusion and exclusion of security-relevant expenditures with respect to the OECD DAC reporting system are also valid for ODA.

### 3.2.3 Reporting category for peacebuilding

As mentioned above, expenses on peacebuilding operations may be recorded in an extra expenditure category provided in the reporting system (OECD DAC, 2000, line V.2, code 209). Though this category is part of the reporting system, it is not aggregated with other expenditure categories of this system. Particularly, it is not ODA.

The following can be reported under Line V.2 of the OECD DAC reporting system:

- Payments to the UN in connection with UN peace operations minus reimbursements by the UN;
- Net costs of bilateral activities of UN and UN-authorized operations and actions in support of activities run by the UN. Net costs are defined as additional costs to those which would have accrued if personnel and equipment had not been used in a peacebuilding operation.

Since this reporting category is of immediate interest to this study, we will briefly reflect on the data reported by member states in this reporting category (see also Appendix Table 2 and 3).

A large number of donor countries have made use of the opportunity to report data on peacebuilding operations to the OECD. Germany has only begun to submit reports since the beginning of 2000. As a general rule, however, it can be said that no country has done so routinely. This is true even for the US which,

of all the donor countries, reported by far the highest expenditures in the years in which it submitted data.

At least for 2002, the year under review in Tables 3 and 4, data on peacebuilding operations recorded under Line V.2 of the OECD DAC reporting system do not tally with data given by the UN on national contributions for peacebuilding and peacekeeping operations.

As the DAC directives permit the reporting of further costs in addition to UN operations, this may not be surprising. Still, estimates given by the Centre for Global Development—a Washington-based private research and policy institute—on the net costs of bilateral UN operations do not appear to be compatible with OECD DAC figures either. For example, US figures for the years in which it reported data to the OECD DAC are substantially higher than what could perceivably have been spent on UN operations. Presumably, figures reported to OECD DAC by the US government contain more than the costs of direct and indirect participation in UN peacekeeping operations, which would be consistent with the OECD DAC directives.

Obviously, the reporting in this category of the OECD DAC system is neither complete nor does it appear to conform to a common definition. It also seems that member states do not attach much importance to it. It rather seems to be inconsistently used as a way of notification for expenses in peacebuilding operations which are deemed relevant but have no other place in the OECD DAC reporting system.

### 3.2.4 Other reporting categories

All politically relevant quantified commitments of and recommendations for development assistance refer to ODA. Still, OECD DAC has additional reporting categories.

In addition to resource flows to countries indicated on the DAC-1 list, transfers to countries and territories in transition (DAC-2 List) are also reported, according to the same basic principles as relevant for ODA. This reporting category is termed Official Assistance (OA).

Transfers by the public sector with less than 25 percent grant element or those carried out with the main aim of promoting donor exports or private investments are categorized as Other Official Flows (OOF). The OECD DAC reporting system also provides an opportunity for logging long-term private capital

transfers at market conditions, as well as grants from non-governmental organizations including foundations, etc.

ODA and those parts of OOF undertaken by the public sector and which are designed to promote development are called Official Development Finance (ODF).

ODA, OOF, long-term capital transfers as well as non-governmental grants are aggregated in the reporting category "Total Official and Private Flows".

### 3.2.5 Appraisal

The list of expenditures recognized as ODA under DAC rules is the result of negotiations among member states. At times, it is not easy to see the developmental foundations of decisions—examples would be export promotion or environmental protection. Regarding some non-ODA transfers, the DAC directives provide for additional reporting categories; these however, have never attained the same recognition as ODA.

A compromise formula had to be found in the area of peace and security, too. The one found in the DAC directives has two elements:

- There are only weak restraints in the OECD DAC guidelines on the allocation of development assistance according to donors' political interests (McGillivray, 2003). The only condition for ODA acceptance is that the aid must have as a main objective the furtherance of economic development and welfare in the recipient country, as well as go to a DAC-1 recipient country. Each donor is free to choose which DAC-1 recipients it prefers, for whatever reason.
- Expenditures which benefit armed forces and weaponry are categorically ruled out. The reasons for this decision were both principal policy considerations—the strict separation of economic from military objectives—but also historical circumstances, in particular the critical assessment of the role of armed forces in the development process. However, this exclusion does not necessarily follow logic when thinking in terms of the principal DAC criteria. Assistance to armed forces and, in extreme cases, even the transfer of arms can have

the primary goal to promote economic development and welfare. Examples of this are various peacekeeping operations. However, as manifested by experiences from the 1960s, the risk of misuse of assistance to armed forces is high.

With the exclusion of transfers to armed forces and weapons, the most glaring cases of security-motivated allocation of donor support, namely the systematic formation and consolidation of the military and defence sector in an allied recipient country was disqualified from OECD DAC reporting. In addition, misgivings as to whether and to what extent the promotion of military and defence in recipient countries can actually have positive effects on economic development and welfare were given credit (Brzoska, 1982; Ball, 1987; Dunne, 1996; Collier et al., 2003).

The extremely cautious softening in recent years of the basic rules of excluding transfers that benefit armed forces from ODA ability consistently concerns cases:

- in which the fostering of economic development and welfare—the main criterion for recognition as ODA—was undoubtedly of paramount importance, e.g. transportation of relief goods and select activities within UN-mandated peace support operations; and
- where the level of expenditures was comparatively low.

However, it is worth asking whether such softening has not gradually undermined the relatively clear—though not fully convincing—comprehensive exclusion of all transfers to armed forces from ODA. Perhaps it would be more consistent to categorize separately all expenditures on the intersection between development and security. In this vein, the separate classification of expenditures for export promotion can be seen as a precedent, and the possibility offered by the DAC directives to catalogue expenditure on UN-mandated peacekeeping operations at a separate place within the overall reporting system could serve as a starting point.

### *3.3 Criteria for and limits to expanding the ODA definition*

#### *3.3.1 Adequacy of definition*

As we have already seen, the DAC directives are not fully derived from development considerations. In many cases, they reflect

compromises between different concepts and interests. Consequently, changes to OECD DAC rules are not only well-justified but are even necessary when new insights into the impact of certain donor instruments on the economic development and welfare in beneficiary countries are gained. Is this true for the close interrelation of security and development?

The arguments in favor of this proposition mentioned above seem convincing. In section three, aspects of the interrelation between security and development will be examined in more detail with respect to a number of issue areas, as well as experiences by select donors. However, it should not be overlooked that the insights with respect to the role of armed forces in development are not necessarily new and, in some ways, resemble discussions during the period when the DAC directives were first created. In general, as long as there is no broad consensus among relevant development actors on a new category, no changes should be made to the ODA demarcation.

### 3.3.2 ODA as inter-institutional factor in donor countries

Another criterion for ODA demarcation, at least in a number of donor countries, is its close relation to a division of labour among ministries and agencies. Where there are ministries for development, it is not unusual to link their expenditure authority to the ODA classification. This can lead to funding gaps for useful activities, such as the reform of armed forces, which development actors sometimes cannot undertake because they are not ODAble, and which other ministries in donor countries do not consider part of their portfolio because the primary objective of the activity is to promote economic development and welfare in the recipient country (Brzoska, 2003). Such gaps should be closed.

### 3.3.3 Integrity of the time series

Any change in the criteria for a time series is problematical, and definitely more so if it is not possible to recalculate past figures. The greater and the more complex the revisions in definition, the more costly the retroactive recalculation of data will be. Some of the data relevant for this study is easily available, for example, contributions to UN peace support missions. Other data, for instance on support for military reform, would probably be quite difficult to collect in donor countries. Presumably such expenditures are too small to warrant such effort. Any decision on



retroactive recalculations of time series would need to take their costs into account, which will depend on the extent and quality of changes to the OECD DAC rules.

### 3.3.4 International political pledges

ODA figures are of enormous importance politically. The political pledges made since the late 1960s by groups of donor countries as well as individual donors generally refer to ODA. This applies to the above-mentioned target of a 0.7 percent share of assistance in national income as well as to the EU member states' immediate objective to increase their ODA share of national income to 0.39 percent by 2006.

For this reason, any change to the ODA definition with a substantial impact on the level of ODA must be well justified. Due to the fact that donors more often than not fall behind schedule with their commitments, changes with massive repercussions on ODA figures must be expected to be criticized as 'statistical cosmetic'. Such criticism is to be expected not only from recipient countries but also from a critical public in donor countries. The first attempts at expanding the OECD DAC criteria in the security area met with strong reactions (Miserior/Brot für die Welt/Evangelischer Entwicklungsdienst, 2003; Füllkrug-Weitzel, 2004). Thus, changes in the OECD DAC directives with a significant impact on ODA data must be widely acceptable.

Moreover, even if a change is made, it needs to be asked whether this does not alter the foundations of past political pledges given on the basis of a different ODA definition. The change in definition must be such that the 'new' expenditure categories are—at least—functionally equivalent to the average of the 'old' expenditure categories with respect to the effectiveness of promoting economic development and welfare.

### 3.3.5 ODA as instrument for lobbying

The discrepancy between international political commitments and actual ODA transfers is also used in internal affairs as an instrument for lobbying to increase development funding. A change in OECD DAC directives leading to a significant increase in ODA expenditures outside of traditional development cooperation might weaken the case for an increase in traditional development funding.

### 3.3.6 Public perception of ODA figures

Public criticism of a possible extension of the ODA definition signals a more fundamental issue that one should bear in mind when amending DAC rules: public perception of what development cooperation is. It is often born out of a relatively simple understanding of what makes up economic development or of ways to attain it. The expert discussion on how to fight poverty exemplifies this point. The complex discussion about the links between security and development could be misconstrued by the public as a deviation from the perceived classical priorities of development cooperation, such as education and agricultural development, particularly when the line drawn between security and development goals is not clear.

### 3.3.7 Appraisal

The most important reason for broadening the ODA definition is the claim that the OECD reporting should record all donor transfers which comply with the basic ODA criteria. Once donors find new spheres of development activity and incur costs which conform to the basic ODA criteria, the definition of ODA should be adapted. This has occurred several times in the past, as in the case of expenditures for 'good governance' or those on environmental protection. In the case of security-oriented expenditures, such changes even run counter to a strict exclusion of expenditures that benefit armed forces. Where there are good reasons for including additional types of transfers that promote security, conflict prevention and peace consolidation, one must seriously examine the possibility to adapt the OECD DAC's directives.

In the course of such an examination process, particular emphasis must be placed on a number of considerations:

- The level of acceptance of any amendment to the ODA definition among development actors and in the wider public. To maintain the credibility of ODA, which is of eminent importance to a number of political commitments, all changes must be well justified in content, thus having the potential for broad acceptance.
- Acceptance can be expected to be higher when the changes in definition concern 'new' activities

rather than the re-labeling of earlier activities that were not previously claimed to be ODA.

- The stronger the impact of a change in the ODA definition on the level of ODA figures, the higher the requirements for justification and acceptance. On account of past political commitments and the lobbying function, as well as public perception of the content of ODA, any change in DAC rules with great impact on the level of figures is likely to trigger controversial debates, the result of which could imperil the credibility of development policies.

This suggests that it is important to examine the various considerations about expanding the definition of ODA more closely for individual types of expenditures in a bid to especially find an answer to the question as to:

- the quality of justification and likely degree of general acceptance of such proposals; and
- their potential effects on the level of ODA figures.
- Such examination can be based on two options already mentioned above. One is to expand the ODA definition, the other is to record relevant expenditures in a separate reporting category. In both cases, the introduction of notification procedures could be of interest.

#### **4. Security and development—fields of action**

In the following section, activities where security and development overlap will be discussed. It will start with a brief examination of fields of action where exclusion from ODA was seen as problematical over the past few years. Each such examination will end with an appraisal of ODA ability of expenditures, based on the criteria mapped out earlier for the expansion of the definition, including a rough estimate of the available financial resources. The section also contains some discussions on how different donors deal with the issue of ODA attribution.

##### *4.1 Civil conflict prevention and management, peace consolidation*

If wars can be averted in recipient countries through a successful crisis prevention strategy, this will generally make a contribution to economic development and welfare. Even by a conservative

estimate, the extent of damage to development caused by civil wars and other acts of war outstrips the annual ODA figures (Collier et al., 2003). For many development donors, crisis prevention has expressly become an essential part of their work (OECD DAC, 2001; Smith, 2003).

Development donors attach particular importance to the civilian aspects of prevention and resolution of crises. However, at the same time, emphasis is being placed on the need for a comprehensive examination and treatment of crisis situations. Crisis prevention has many aspects and instruments. The German government's Action Plan "Civilian Crisis Prevention, Conflict Resolution and Post-Conflict Peace-Building" enumerates major fields of action (not including military activities, but the use of military capacities for civilian activities) and is therefore suitable for a discussion of relevant aspects of ODA attribution (Bundesregierung, 2004).

A number of instruments form part of crisis prevention which cannot directly be attributed to development cooperation, e.g. working with international and regional organizations dealing with peace and security issues or disarmament and arms control. However, there are certain activities in this area which may be considered as ODABle because their primary objective is the promotion of economic development and welfare. These include:

- advice to regional organizations of DAC-1 countries in crisis prevention,
- support to negotiations aiming at the peaceful settlement of conflicts,
- promotion of civil society activities to prevent the resort to arms in conflicts,
- promotion of the implementation of international sanctions in DAC-1 countries in the vicinity of sanctioned states or groups,
- measures for practical disarmament, especially small arms control,
- security sector reform in DAC-1 countries ( see below).

In principle, some of these instruments, or rather their costs are already ODABle if the basic rules—including economic development and welfare as primary objectives and the level of grant element—are complied with. Examples for this are advice services for regional organizations engaged in crisis prevention—a

way to promote good governance—and the promotion of civil society activities, as well as support for negotiations on the settlement of conflicts. In many cases, conformity of instruments with ODA requirements is a question of declaration and interpretation of their primary objectives.

At present, ODA attribution is restricted where military capabilities are involved in the implementation of measures, or where arms are concerned. As described above, exceptions have already been made for both criteria of exclusion for specific cases (thus, the cost of transportation of relief goods by the armed forces, as well as information campaigns by civil society on small arms and mine clearance are ODAble). Consequently, the principal exclusion of anything military can be criticized as logically incoherent and unjustified (OECD DAC, 2004b).

In fact, there are good reasons in support of a limited extension of ODAbility for expenditures relating to civil crisis prevention when in line with basic ODA rules. The control and destruction of small arms is one area where this is sensible. There is a widespread view that a lack of control of small arms inhibits development (OECD DAC, 2001) so that an extension of ODAbility of expenditures of this nature is bound to meet with broad acceptance. Another area where it makes sense to qualify expenditures as ODA is the use of armed forces in the implementation of civil measures of crisis prevention, e.g. the transport of civil development experts into a crisis zone by the military. This is on par with the transport of relief goods by the military.

There are, however, some good arguments against the limited expansion of the ODA classification advocated above:

- The delimitation to measures traditionally assigned to the diplomatic and military sector (and which make sense to remain reserved for the diplomatic corps and the military within the context of a professional inter-institutional division of labor) is difficult to draw, and often determined by national characteristics and traditions.
- Moreover, a softening of the ODA definition for the areas mentioned could lead to calls for ODAbility for further expenses which clearly lie in the responsibility of diplomacy and defense, but which also serve the interests of economic development and welfare.

The weight of these arguments depends not least on whether unequivocally clear formulations can be found to stave off an improper use of expanded ODA criteria. The impact on the integrity of ODA figures would be little as the costs of small arms control, as well as civil measures for conflict prevention in which the armed forces are only used as instruments for implementation, are not high.

A further possibility to deal with these problems is to introduce a notification procedure for the relevant categories of costs. Two models are possible. One is a unilateral notification procedure which would permit OECD DAC member states to register expenditures in certain report categories named by OECD DAC as ODA, but which the OECD DAC secretariat would not add to ODA figures. Instead, reporting and recording of ODA-notified expenditure would take place in a separate category. The multilateralization of notification is the second model. All other members would be notified of expenses to be registered as ODA in certain categories by OECD DAC member states, including exact descriptions of the measures. They would be added to ODA figures if not challenged by the secretariat or any other member state. Advantages and disadvantages of notification procedures for specific types of expenditures are discussed below.

#### *4.2 Peacebuilding, peace support and peacekeeping operations*

A good number of military interventions in DAC-1 countries have been justified as promotion of economic development and welfare—the goal defined in the DAC directives as central to ODAbility. Many missions are designed to, first of all, save human life, create and secure peace, and subsequently, to lay the foundation for further development (International Commission on Intervention and State Sovereignty, 2001). In some cases, military interventions are the precondition for economic development. These operations have become increasingly extensive, complex and protracted. Totally defensive (truce-monitoring) peacekeeping missions have given way to peace support operations which are getting larger in scale and, from time to time, offensive, with military and civil measures in parallel, more or less well coordinated (United Nations, 2000; Kloke-Lesch, 2004). Even where a country's own security interests are decisive for military deployments to foreign countries, as in the case of Germany, the settling of local conflicts still is prominently

emphasized. The official explanatory text to the May 2003 Guidelines on Defense Policy for the German Bundeswehr reads: "The result is such that international crisis and conflict settlement including the fight against international terrorism have moved to the top spot on the agenda". ([http://www.bmvg.de/misc/pdf-/sicherheit/030521\\_VPR\\_Begleittext.pdf](http://www.bmvg.de/misc/pdf-/sicherheit/030521_VPR_Begleittext.pdf) , own translation).

This is why it is, at first sight, quite plausible to suggest that at least the costs of UN-run peacebuilding, peacekeeping and peace support missions be counted as ODA. The vast majority of the resources come from defense budgets. As mentioned, only a select number of activities within UN-missions are ODable at present<sup>5</sup>.

However, there are fundamental considerations which militate against a much wider or even complete inclusion of expenditures on UN peace operations in the ODA definition:

- The UN Security Council decides on peacebuilding and peace support operations on the basis of Chapter 7 of the UN Charter, which is about the preservation of international peace and security. One outcome of such operations may well be economic development and welfare, but this should not be the primary factor for a decision on the basis of the UN Charter. In practical politics, various reasons are behind a decision to authorize a peace support operation which are difficult to disentangle.
- Even in the latest discussions on interventions, it is not development and welfare which are central but massive human rights violations (Commission on Intervention and State Sovereignty, 2001). Here as well, the support of economic development and welfare may be a side effect but is not of paramount importance for interventions.
- UN operations may serve development objectives but this is not necessarily so. Their preparation, implementation and duration are determined not by development, but rather by military and political considerations.

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<sup>5</sup> These restrictions obviously do not apply to ODable expenditures for traditional development instruments where a UN peace mission is in operation.

- Though earmarking only UN operations as ODAble would be formally easy, it is difficult to justify in content. In some cases, groups of countries carry out operations without a UN-mandate because of an actual or threatened veto in the UN Security Council. In other cases, only parts of an operation are under UN-authority, as in Kosovo and Afghanistan. Such operations may still fulfill high standards of legitimacy. However, where the formal criterion of UN leadership is not fulfilled, a new criterion would have to be found to separate ODAble from non-ODABLE interventions. More or less similar to UN operations are UN-mandated interventions under the umbrella of a regional operation or group of states. However, in some of these cases, the link between an operation and the UN is weak, as evidenced in the case of Iraq following Security Council Resolution 1546.
- UN peace missions are expensive. For the 2004 budgetary year, the UN reckons with a total cost of US \$3.8 billion (see Appendix Table 5). If all these costs were to be recognized as ODA, this would lead to an approximate 6 percent increase in global ODA figures<sup>6</sup>.
- The hike in ODA figures caused by a re-definition alone would be considerably higher if, instead of the cost budgeted by the UN, the actual cost of UN peace missions were to be calculated according to the net value principle allowed in the OECD DAC directives for most expenditure categories (see below). Under normal circumstances, deploying soldiers from OECD DAC member states costs more than what the UN pays. In addition to this, they must be trained and kept on standby. Although the exact figures for the real costs in support of UN missions are not available, an estimate by the Center for Global Development illustrates the size. Depending on the parameters, an additional 35 to 100 percent indirect

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<sup>6</sup> The costs of UN peace missions already recognised under the current ODA definition are minor.



expenses on UN missions would accrue (see Appendix Table 4), corresponding to 8 to 12 percent of global ODA figures.

- The most expensive operations today in the field of peacebuilding, peacekeeping and peace support are not within the UN system and, consequently, not part of the aforementioned UN budget. The cost of the interventions in Bosnia, Kosovo, Afghanistan and Iraq are significantly higher than those of average UN interventions. For 2002, that is prior to the Iraq conflict, the estimate in direct costs for non-UN operations provided by the Center for Global Development amounts to US \$6.5 billion, climbing to US \$28 billion when indirect expenses for keeping sufficient troops on standby are added—the equivalent of 11 or 44 percent of current ODA respectively. That the estimates given by the Center for Global Development are not unrealistic is shown by figures given by individual countries on costs incurred by them in the areas of peacebuilding, peacekeeping and peace support (see Appendix Select Country Studies). For instance, in the last few years the German *Bundeswehr* regularly spent more than €1 billion on such military commitments abroad (see Appendix Table 7). These costs are additional to the contributions (compare Appendix Table 6) paid to UN operations (minus reimbursements for operations by German soldiers). Overall, the country's expenditure for foreign interventions comes to nearly one-fourth of Germany's ODA (an average of €1.5 billion in the last few years).

One aspect of military peace operations increasingly gaining importance is civil and military cooperation ('CIMIC') aimed at assisting people locally with development cooperation measures. The discussion on this issue has been controversial on various accounts (Klingebiel und Roehder, 2004; Heinemann-Grueder, Pietz und Lipp, 2004): The following conclusions can be drawn from the line of argument propounded in this paper:

- CIMIC-related measures implemented with security as a primary goal ('force protection', collection of information) are not in line with OECD DAC criteria according to which economic development and

welfare must be the priority. This can be seen parallel to the case of export promotion where ODA recognition is also ruled out even if development and welfare constitute a side effect.

- On the other hand, measures which are in keeping with the fundamental criterion of DAC should be ODAble even if implemented by the armed forces. It is not expedient to rule out the armed forces as the potential implementers of development cooperation measures.
- However, because the training of soldiers is not a specialized one, and due to the fact that their mission is generally geared towards military duties, it is likely to be more effective for development cooperation to be implemented by development cooperation specialists. This also makes it easy to see that economic development is the actual priority of such measures.
- Thus, a criterion for ODAbility should be whether the armed forces act only as executing institution of decisions on design, control and responsibilities made by development actors.

#### *4.3. Consolidation of weak, fragile, failing and failed states*

In recent years, the stabilization of states which fail to perform elementary duties in the areas of order and security, as well as welfare, has come to the forefront of attention not only in foreign policy (Schneckener, 2003; Mair, 2004), but also in development policy (Kloke-Lesch, 2004). Every so often, there is an overlap with an international military intervention leading to a mix of the issues described above.

Many issues are currently debated—from definitions to recommendations for priorities for interventions by external players aimed at improving state capacity and performance. It is, however, undisputed that a wide range of instruments are to be applied, including genuine development measures, as well as others enhancing the effectiveness of the military, the police and other security organs.

Instruments of development cooperation designed to bolster weak governments are ODAble if in line with the basic ODA rules, whereas the promotion of security actors is only partially ODAble.

ODA attributable costs include the training of the police and other non-military security organs, so long as this primarily serves economic development and welfare, as well as certain activities that strengthen civil control of the military (see below under “security sector reform”).

This classification is sometimes seen as difficult to implement and logically inconsistent. Development policy measures and those promoting security are regarded as interdependent (Schneckener, 2003). Parallel use of instruments is necessary for economic development and welfare in a country and, as such, a case is sometimes made for expanding the ODA definition up to and including all costs of stabilizing weak states.

However, there are weighty counter-arguments to this:

- While developmental and security-boosting measures are interdependent, it is still possible to exactly denote and classify each of the available instruments even if the methods of classification are different in individual cases (see below under security sector reform).
- In practice it is impossible to differentiate donor expenditures on security-boosting measures with respect to ODA-compatible objectives (promotion of economic development and welfare) or other goals (support of political allies, fight against international terrorism, politico-military aims of donors). This is, for instance, evidenced by the various US military aid programs where no attempt is made to separate between the various objectives of measures.
- Assisting in the formation, reconstruction and consolidation of armed forces can but does not necessarily bring the hoped-for development success. The historical experience of the 1960s and 70s—briefly outlined above—illustrates the traps associated with promoting the military (but also the police).
- The above arguments clash with the skepticism of many development experts and the public—or at least organizations such as German churches (Füllkrug-Weitzel, 2004)—about the promotion of security institutions in recipient countries as an objective of development policy. This skepticism is

fully justified in view of the many examples of repressive military governments in developing countries. As shown by historical experience, the dangers for development inherent in an exorbitantly costly military, or one that works against developmental goals, are immense.

- As a rule, training without equipment, installation of infrastructure, etc. is of little use. Military training therefore often goes hand in hand with the transfer of military equipment, including arms. Once again, the US military aid programs provide a good example. Although arms deliveries for development, particularly to fragile states, are logically justifiable, the credibility of an ODA definition allowing an inclusion of arms deliveries would probably suffer badly in public discussion.
- The financial scope of costs incurred by donors in consolidating fragile governments, which are currently attributed to ODA, cannot be estimated at the moment. The costs for the United States, which might be of relevance in this context, are relatively high. The 'Economic Support Fund', which allows recipient governments to spend money according to their own priorities, amounts to several billions of US dollars annually, with Israel as the biggest beneficiary. However, the US military training program is much smaller. The expenditures of other governments are probably much less than those of the United States.

#### *4.4 Security sector reform*

The institutions whose duty it is to promote security have attained increasing prominence in development policy, even outside of fragile states, due to the growing importance attached to security as a condition for development (Brzoska, 2003). Focused initially on specific aspects such as the enhancement of transparency in military expenditure, security sector reform has meanwhile evolved into a multi-faceted domain which individual donors like DFID have made a centrepiece of their activities (Appendix, Select Country Studies). It has also been a subject of intense discussion for OECD DAC (OECD DAC, 2004c,d). In this connection, the problem

of ODAbility has led to a controversial and intense debate (OECD DAC, 2004a,d). In the process, the conflict between a comprehensive approach to security sector reform and the objective of preserving the integrity and credibility of the ODA time series has become quite clear (OECD DAC, 2004b,c).

Some fields of action of security sector reform are ODABle. As mentioned above, these include reform of the police and aspects of improvement in the civil oversight and democratic control of the military, the latter added in ODA reform in 2004 and 2005 (<http://www.oecd.org/dataoecd/36/13/31724752.pdf>). Other areas of security sector reform—basically all activities in which soldiers participate in one way or the other—are, however, not ODABle. Apart from the training of soldiers, these include assistance in the creation of planning documents such as white books for defense policies if soldiers are involved.

This selective approach to security sector reform, which tries to draw a strict line of demarcation between working with civil actors as opposed to working with, and the work of military players has been repeatedly criticized in the past as unrealistic for and adverse to the practice of security sector reform (Ball, 2002; Winkler, 2002). The relevant OECD DAC document also recognized this problem and the need for discussion of an extension to the ODA definition (OECD DAC, 2004c).

Here as well, however, there are some very serious objections. In the preceding section, we presented arguments against expanding the ODA definition by including the formation, reconstruction and consolidation of armed forces. Do these also apply to other areas of security sector reform which are currently not ODA attributable? Are there consistent criteria for the separation of expenditures on security sector reform into those that should be ODA and those that should not be?

Helpful for this is the distinction between the oversight and control of security sector reform ('security sector governance') and the actual implementation of reforms drawn in much of the literature on security sector reform. Various authors have produced lists of elements of 'security sector governance' (Lilly et al., 2002; Ball, 2002; Ball and Fayemi, 2004).

The arguments against including the reconstruction and reform of armed forces do not apply to security sector governance:

- In the implementation of assistance for oversight and control of security institutions, it is easier to distinguish between development objectives and other goals than in the training of security personnel.

- The danger of misuse of external support is much less for measures of oversight and control than in the case of direct implementation of security sector reconstruction and reform.
- Improvement of security sector oversight and control is widely accepted as an issue for development assistance within the wider framework of 'good governance' (OECD DAC 2004c).
- Assistance for the improvement of security sector governance is not very expensive. With arguably the world's most active security sector reform program, the British government never spent more than 10 million British Pounds for the program in the last years (UK DFID, 2004).

The following conclusions can be drawn from the differentiation of the two major clusters of activity in security sector reform and in light of the basic rules of ODAbility:

- Elements of security sector reform that deal with oversight and control of the security sector (security sector governance) should, in principle, be attributable to ODA. This should also apply to measures in which soldiers participate in recipient countries. Detailed proposals for the extension of the ODA definition cannot be made here, but literature on security sector reform provides numerous helpful suggestions.
- The reconstruction, transformation and expansion of the armed forces should not be included in ODA. However, such expenditure could be collected by OECD DAC outside of ODA as they may be of relevance to development.
- In case of doubt where the classification is unclear, a multilateral notification procedure could be put in place at OECD DAC, at least for an interim period (see above).

#### *4.5 The fight against terrorism*

The fight against terrorism has become a subject of development cooperation—not least with the help of OECD DAC (OECD DAC, 2003). Central issues are the questions whether it is sensible to a)

concentrate development assistance on such countries where terror is rampant or which have become a source for international terrorism, and b) to intensify certain instruments of development assistance such as anti-youth unemployment and democratization programs in relevant countries. There are also discussions about instruments for combating terrorism which—though not part of traditional development cooperation—could be considered as ODABle based on the argument that the fight against terrorism serves the interests of economic development and welfare. These include aspects of security sector reform such as the reform of intelligence services and the consolidation of national bureaucratic structures for combating terrorism (OECD DAC, 2003).

Even though it may be problematic from a development point-of-view—with poverty reduction as an overarching objective—focussing development assistance on countries or programs in countries with anti-terrorism as the ultimate objective is no inhibition to ODABility as long as the fundamental conditions for ODA are respected—that is, economic development and welfare are primary objectives. However, more specific instruments, such as support for national structures for anti-terrorism or intelligence services, do not primarily serve economic development and welfare; at best, they can be side effects of a decrease in terrorist activities. These expenditures are not ODABle. Making them ODABle would undermine the credibility of the ODA definition. (The subject of security sector reform, also relevant for anti-terrorism, has already been discussed above.)

#### *4.6. Appraisal*

The analysis of relevant concepts shows, on the one hand, that there are plenty of examples of activities with parallel relevance to security and development, and which illustrate the difficulty of a logically coherent conceptualization of what are, and what are not, genuine development issues.

Yet the following conclusions may be drawn from the preceding analysis:

- a) In a limited number of areas, it makes sense to extend ODABility, as was largely implemented with ODA reform decisions of 2004 and 2005 (<http://www.oecd.org/dataoecd/36/13/31724752.pdf>) including softening the exclusion, already begun, of all measures in which armed forces partake. These are areas in which armed forces are used as instruments of development assistance and are not running

them, and concern measures with a financial scope small enough not to challenge the validity of total ODA figures.

These include in particular:

- Civil oversight and control of security sector reform.
  - Practical disarmament.
  - Control and destruction of small arms.
  - Use of armed forces and their capabilities in civil crisis prevention, based on the condition that the improvement in the economic development and welfare of people in DAC-1 countries is the primary objective, and assistance is not funding improvements in the effectiveness of the military.
- b) Even with a limited extension of ODA, controversies over definitions and misuse cannot be ruled out. An alternative to an immediate expansion of the ODA definition is the introduction of a notification procedure, the advantages and disadvantages of which will be discussed at the end of this paper.
- c) The extension of the ODA definition by including measures of peacebuilding, peacekeeping and peace support is counter-productive to the acceptance, credibility and integrity of ODA figures, even if such activities can probably be justified according to basic ODA rules.
- d) Taking note of the fact that such expenditures can, at least potentially, have great value for the promotion of economic development and welfare, the best option may be to extend the OECD DAC reporting system.

These conclusions—only broadly outlined here—will be taken up again at the end of this study and examined in detail.

## **5. Concluding appraisal**

In this final section, earlier recommendations are collected and refined into recommendations.

1. A limited expansion of the ODA definition in some clearly set-out areas is justifiable and endangers neither the credibility nor integrity of ODA figures. Such expansions have been agreed upon in the OECD DAC in 2004 and 2005. Important elements, subject to some restrictions (see Appendix 1) include:
  - a. Civil crisis prevention, conflict resolution and peace consolidation. Some room for change exists for the use of



armed forces to support civil activities. This should be made possible, for instance, for the transportation of civilian observers for monitoring cease-fires.

- b. Security sector governance, such as the following activities if they are part of an overall security sector reform strategy:
  - i. Training in human rights, training in topics of development cooperation such as good governance, democratization, rule of law, environmental protection and sustainability by civilian institutions/persons.
  - ii. Civil-military dialogue on themes of development cooperation.
  - iii. Preparation of official planning documents for armed forces drawn up under civilian authority for political decision-making (White Papers on defense).
  - iv. Dispatch of civilian experts for budget planning and control to defense ministries.

The following should remain non-ODABLE:

- i. Training of armed forces.
  - ii. Support for the formation, re-organization and consolidation of armed forces.
  - iii. Dispatch of experts with technical military expertise.
- c. Practical disarmament. Important activities in this area are already ODABLE, including the re-integration of former combatants, demobilization and disarmament within the framework of UN missions, conversion of military production facilities and measures aimed at small arms control unless performed by the military. Examples include:
    - i. Preparation for the reintegration of former combatants even if this involves armed forces in a supporting role, for example in monitoring depots or registering former combatants, as well as the housing and feeding of combatants waiting for demobilization prior to registration.
    - ii. Programs to support the collection of small arms.
    - iii. Destruction of weapon systems, including small arms.

2 An additional option that allows for a cautious extension of the ODA definition is a notification procedure for the expenditure categories named above. As mentioned, several forms of notification are possible:

- a) **Unilateral notification.** Expenditures reported would not be included in ODA data series but member states could refer to these in their presentations of development cooperation. Since all expenditure categories mentioned

above are of a limited financial scope, this would mainly convey a political rather than a financial message, namely that the activities related to these expenditure categories are considered important.

- b) **Multilateral notification.** Here, the expenditures would be added to ODA data series if not challenged by other OECD DAC member states. In view of the anticipated financial scope of these expenditures, no loss of integrity of ODA figures is likely, as they would rise only marginally. The 'peer control' of individual activities would allow for a common learning process among OECD DAC member countries, but at the same time lead to heavy administrative burdens. For the standardization of OECD DAC reporting, multilateral notification would be a more suitable procedure than unilateral notification.
- 3 A cautious expansion of the ODA definition not only takes into account dangers for the integrity and credibility of the ODA definition, but also the inter-institutional consequences of changes in the ODA ability of expenditures, which differ among OECD DAC member countries. It would give ministries and agencies restricted to ODA-able expenditures some more room to maneuver with respect to their activities. At the same time, a division of labor along the principle of greatest competence among ministries and agencies would not be put at risk. Approaches to better cooperation among ministries—as in the UK's Conflict Prevention Pools or the Dutch Stability Fund—would be strengthened by closing gaps between the authorities of the various participating ministries, particularly in security sector reform and practical disarmament.
- 4 More ambitious proposals for expanding the ODA definition have more disadvantages than advantages. The acceptance and credibility of ODA data would suffer. If costly activities, such as peacekeeping, peacebuilding and peace support were covered, this would also affect the integrity of ODA data.
- 5 A good way to satisfy the plausible desire of some OECD DAC member countries for greater recognition of security-related expenditures which, in their view, promote economic development and welfare, is to expand the OECD DAC reporting system. Based on the preceding analysis, some considerations seem pertinent:

- a. The key expenditure categories, in terms of importance as instruments for the promotion of security and development, as well as their financial scope, are:
  - i. Peacekeeping, peacebuilding, peace support operations.
  - ii. Planning and reserve of capacity for such operations.
  - iii. Support for the formation, re-organization and consolidation of armed forces, including implementation of security sector reform.
  - iv. Support for the training of armed forces, also peacekeeping, peacebuilding and peace support operations.

These are predominantly financial resources coming from defense budgets, not those of ministries for development cooperation.

- b. Some activities, which may also be regarded as promoting economic development and welfare in the widest sense, and which OECD DAC member countries could possibly want to justify as such, should be excluded from the OECD DAC reporting system because of the difficulty in preventing misuse. These include, in particular, deliveries of arms and armament supplies.
- c. In principle, the expenditure category with the largest financial scope can already be reported to the OECD DAC system, namely peacekeeping in Line V.2. Currently, however, this reporting line is not being used adequately. Reporting by member states is erratic, and obviously does not follow common standards. Moreover, additional expenditures to those currently allowed under Line V.2. are relevant.
- d. To allow for a better presentation of relevant expenditures, a new report category is preferable—one in which the data allowed in the current Line V.2. could be incorporated. A name for this reporting category could be Official Security, Peace and Stability Assistance (OSA).
- e. OSA is explicitly not ODA and would therefore not have the political importance attached to ODA. All commitments of development assistance to date have been undertaken on the basis of ODA and this will not change. Actually, it would be unwise to pledge under OSA, as a major part of OSA is dependent on unwanted developments, such as war. OSA would have less visibility

than ODA, similar to other aggregated expenditure categories in the OECD DAC reporting system. Once reported over a longer period of time, OSA time series would also be of analytical interest. Some OECD DAC member states could possibly use OSA data for domestic purposes, in particular to underpin discussions on levels and composition of foreign assistance.

- f. Like other reporting categories in the OECD DAC system, sub-categories with definitions would have to be developed for OSA. These cannot be provided here. It is obvious however, that distinctions would have to be made between various types of peacekeeping, peacebuilding and peace support operations (UN missions, UN-mandated, UN-authorized and other missions) and between different types of a reorganization of armed forces (creation from scratch in new states or after state collapse, post-conflict reconstruction, security sector reform).
- g. As in the case of ODA, economic development and welfare should be the primary objectives of attributable expenditures. However, for pragmatic reasons, the decision whether this criterion is met should be made by individual member states. Contention among member states or between member states and the OECD DAC Secretariat would be unfruitful and should be avoided (an example for such contention could well be the OSAbility of external activities in Iraq). In addition, the same rules governing the grant element should apply to OSA and ODA.
- h. In theory, alternatives to building up a new reporting category in the OECD DAC reporting system could possibly also serve the objective of allowing donors an outlet to present relevant expenditures. However, there is no other institutional solution of the same caliber as OECD DAC in sight. The United Nations, which might come to mind as an alternative, currently also present expenditure statistics on UN missions. Moreover, the political obstacles for a reporting system including non-UN missions are likely to be high. This would also present institutional problems, as administrative capacities and communication channels with donor countries would have to be put in place—facilities which the OECD DAC already commands.

- i. As for an expanded ODA, a multinational notification procedure is also an option for OSA . Unilateral notification makes little sense for a reporting category not foreseen to be aggregated with other categories. The advantage of such a notification procedure would be that a barrier to misuse by OECD DAC member countries is established compared to a procedure where checking compliance with the OSA definition was the sole responsibility of the OECD DAC Secretariat. However, the bureaucratic expense involved would be considerable and long discussions on individual measures might be triggered. This does not seem justified in view of the mere informational nature OSA would be likely to have in discussions on development policy.
- 6 The two tracks of limited softening of the ODA definition and widening of the OECD DAC reporting system recommended here cannot satisfy all interests in improving the reporting on expenditures in fields of action combining security and development concerns. The proposal is oriented towards the criteria of credibility, acceptance, and integrity of the ODA definition and time series. Practical problems arising from a combination of ODABle and non-ODABle activities, for example in support for the consolidation of weak states, will remain. This is, however, unavoidable unless the ODA definition is expanded beyond what is likely to generate wide acceptance.
- 7 Obviously some OECD DAC member states are interested in a more significant extension of the ODA definition. With OSA they would have an instrument for presenting their political agenda without damage to the credibility, acceptance and integrity of ODA. With a separate OSA, there would be no foundation for the suspicion that OECD DAC member states are watering down commitments to increase ODA. OSA, as described above, is expected to have a level corresponding to at least 25 percent of current ODA.
- 8 Other member states are skeptical of any softening of the ODA definition. They are rightly afraid that more and more proposals will be made in this direction. The development of OSA could perhaps help dissipate such fears, making it clear that expenditure categories that might be eligible for ODA will find a place in OSA. Moreover, the separation of ODA and OSA helps to maintain important distinctions even at times when the links between development and security are

increasingly recognized—that is, distinctions between civil versus predominantly military activities, as well as between the direct versus indirect promotion of economic development and welfare.

## Appendix

*Appendix Table 1: Security related elements included/excluded in the ODA-Definition (\*)*

Category	Eligible for ODA	Excluded from ODA
Management of security expenditures	<ul style="list-style-type: none"> <li>▪ Technical co-operation to improve civilian oversight and democratic control of budgeting, management, accountability and auditing of security expenditures, including military budgets, as part of a public expenditure management program.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Technical support to the armed forces and defense ministries that is not aimed at improving democratic control of aspects of security expenditures.</li> </ul>
Enhancing civil society's role in the security system	<ul style="list-style-type: none"> <li>▪ Assistance to civil society to enhance its competence and capacity to scrutinize the security system so that it is managed in accordance with democratic norms and the principles of accountability, transparency and good governance.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Training in military skills.</li> <li>▪ Assistance to the defense ministry/sector or the armed forces.</li> </ul>
Child Soldiers	<ul style="list-style-type: none"> <li>▪ Technical assistance to government and civil society organizations to support and apply legislation designed to prevent the recruitment of child soldiers.</li> <li>▪ Assistance to improve educational or employment opportunities for children so as to discourage their recruitment as soldiers and build capacity (including advocacy) within civilian government and civil society to prevent children from becoming soldiers.</li> <li>▪ Efforts to demobilize, disarm, reintegrate, repatriate and resettle child soldiers.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Costs of military operations against groups that may have recruited child soldiers.</li> <li>▪ Support to the armed forces themselves.</li> <li>▪ Assistance that contributes to the strengthening of the military or fighting capacity of the armed forces.</li> </ul>
Refugees	<ul style="list-style-type: none"> <li>▪ Transport, reception and upkeep of refugees and displaced persons, whether made to governments, multilateral organizations, international or national NGOs, or directly to the refugees themselves.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Amounts spent to promote the integration of refugees into the economy of the donor country, or resettle them somewhere other than in an aid recipient country.</li> </ul>
Assistance for democratic development	<ul style="list-style-type: none"> <li>▪ Promotion or protection of human rights.</li> </ul>	

Category	Eligible for ODA	Excluded from ODA
Contributions for combating narcotics	<ul style="list-style-type: none"> <li>▪ Bilateral anti-narcotics activities that focus on economic development and welfare.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Activities such as the destruction of crops, interdiction of narcotics supplies and support for the participation or training of military personnel in anti-narcotics activities.</li> </ul>
Civilian peace-building, conflict prevention and conflict resolution	<ul style="list-style-type: none"> <li>▪ Support for civilian activities related to peace-building, conflict prevention and resolution, including capacity building, monitoring, dialogue and information exchange.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Activities supporting defense ministries or armed forces; direct use of military forces for such activities.</li> </ul>
Post-conflict peacebuilding operations	<ul style="list-style-type: none"> <li>▪ The cost of a donor's bilateral participation in the activities listed below, when they are part of the post-conflict peacebuilding phase of a United Nations peace operation, net of any compensation received from the UN: <ul style="list-style-type: none"> <li>- human rights</li> <li>- election monitoring</li> <li>- rehabilitation assistance to demobilized soldiers</li> <li>- rehabilitation of basic national infrastructure</li> <li>- monitoring or retraining of civil administrators and police forces</li> <li>- training in customs and border control procedures</li> <li>- advice or training in fiscal or macroeconomic stabilization policy</li> <li>- repatriation and demobilization of armed factions, and disposal of their weapons</li> <li>- explosive mine removal</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Net cost of bilateral activities authorized by and in support of action by the UN. The net cost of bilateral activities is calculated as the excess over what the personnel and equipment would have cost to maintain had they not been assigned to take part in a peace operation.</li> <li>▪ Net costs of non UN-supported peacebuilding operations.</li> </ul>
Assistance for demobilization efforts	<ul style="list-style-type: none"> <li>▪ Support for the repatriation and integration of demobilized military personnel into the economy and the conversion of production facilities from military to civilian outputs.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Support of disarmament.</li> <li>▪ Support of demobilization and subsidies to combatants prior to official discharge.</li> </ul>
Military equipment or services	<ul style="list-style-type: none"> <li>▪ Additional costs of military personnel delivering humanitarian aid.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Grants, official loans, or credits (guaranteed or not) for the supply or financing of military equipment or services, including the direct participation in military</li> </ul>



Category	Eligible for ODA	Excluded from ODA
		<p>expenditures and other contributions linked to a specific defense effort.</p> <ul style="list-style-type: none"> <li>▪ Training of military personnel, even in non-military matters such as civil engineering, surveying, or human rights law.</li> <li>▪ The use of military personnel to control civil disobedience, even in emergency situations.</li> </ul>
Mine clearance, small arms control	<ul style="list-style-type: none"> <li>▪ In UN peacekeeping operations.</li> <li>▪ If main objective is economic development and welfare.</li> <li>▪ Education of general public.</li> <li>▪ Institutional reform (as element of good governance).</li> <li>▪ Weapons collection and destruction, except by the military.</li> </ul>	<ul style="list-style-type: none"> <li>▪ General mine clearance.</li> <li>▪ Seizures of small arms by force</li> <li>▪ Involvement of militaries in small arms collection and destruction.</li> </ul>
Police forces, customs, other public security forces	<ul style="list-style-type: none"> <li>▪ Support to police forces if main objectives are promotion of good governance, human rights, development etc. (see above for conditions in peacekeeping missions).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Support to police training, police equipment, etc. that has no relation to economic development and welfare.</li> <li>▪ Training of police in counter-subversion methods, suppression of political dissidence, or intelligence-gathering on political activities.</li> </ul>
Security System Reform	<ul style="list-style-type: none"> <li>▪ Technical co-operation provided to parliament, government ministries, law enforcement agencies and the judiciary to assist review and reform of the security system to improve democratic governance and civilian control. Any such support to defence ministries must be part of a national security system reform strategy and be approved by the partner country ministry with overall responsibility for coordination of external assistance.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Military competence/capacity building and strategic planning activities.</li> </ul>

Source: Based on <http://www.oecd.org/dataoecd/36/32/31723929.htm#Annex%201>

**Note:** The OECD defines Official Development Assistance (ODA) as follows:

Those flows to countries on Part I of the DAC List of aid recipients (developing countries) and to multilateral institutions for flows to Part I aid recipients which are:

- i. provided by official agencies, including state and local governments, or by their executive agencies; and
- ii. each transaction of which:
  - a. is administered with the promotion of the economic development and welfare of developing countries as its main objective; and
  - b. is concessional in character and conveys a grant element of at least 25 percent (calculated at a rate of discount of 10 percent). Capitalized interest included in rescheduling of ODA loans is recorded as ODA, regardless of the grant element of the rescheduling.

The grant element in the ODA definition is a mathematical assessment of the financial terms of a transaction or set of transactions. It is the difference between the face value of a loan and the present value (calculated at a rate of discount of 10 percent) of the service payments the borrower will make over the lifetime of the loan, expressed as a percentage of the face value. Three factors determine the grant element:

- a. interest rate (percent per annum);
- b. grace period, i.e. the interval from commitment date to the date of the first payment of amortization;
- c. maturity, i.e. the interval from commitment date to the date of the last payment of amortization.

**Appendix Table 2: Development Assistance Committee Gross Disbursements and Commitments of Official and Private Flows. Line V.2: Post-Conflict Peace Operations (Incl. non-ODA)**

Amount (2004 Prices US \$Million)	Years												
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
DAC Countries, Total	265.67	3859.56	6738.77	3481.69	4341.34	3020.12	2666.51	851.09	1420.17	5059.38	1253.6	1365.62	1342.51
Multilateral , Total	-	90	-	-	-	-	-	-	-	-	-	69.17	-
G7, Total	-	3294.33	6184.39	3004.68	3935.32	2633.32	2461.37	75.02	522.17	4364.58	294.48	497.51	596.93
DAC EU Members, Total	Nov 83	1608.7	1080.08	669.35	178.51	206.73	203.9	434.39	974.52	1244.15	910.3	1021.44	1114.99
Non-DAC Bilateral Donors, Total	-	-	Jul 94	-	-	-	-	-	-	-	-	-	35.5
ALL Donors, Total	265.67	3859.56	6746.71	3481.69	4341.34	3020.12	2666.51	851.09	1420.17	5059.38	1253.6	1434.79	1378.01
Australia	-	52	-	-	-	-	-	31.49	76.75	122.7	115.27	93.61	127.35
Austria	Nov 83	24. Aug	23.45	25.57	Jun 28	Okt 32	Okt 23	-	-	-	92.87	31.18	59.69
Belgium	-	-	-	-	-	-	-	13.75	-	-	43.51	-	-
Denmark	-	-	-	110.49	112.41	113.01	93.87	114.98	134.2	-	-	-	168.62
Finland	-	96.38	53.85	34.26	-	80.79	71.82	119.01	124.05	102.25	88.76	123.1	-
France	-	-	-	-	-	-	-	75.02	225.22	354.48	-	185.35	250.22
Germany	-	-	-	-	-	-	-	-	296.95	418.71	294.48	312.16	346.71
Greece	-	-	-	-	-	-	-	54.65	71.86	73.46	83.99	81.14	38.98
Italy	-	1370.53	728.5	339.56	Jan 56	-	-	-	-	178.47	-	-	-
Luxembourg	-	-	-	-	0.89	-	-	-	-	-	-	-	-
Netherlands	-	90.22	108.06	56.63	23.32	-	-	15.53	122.24	44.99	203.4	239.28	250.77
New Zealand	Dez 52	-	-	-	-	-	-	-	-	-	09. Jun	Apr 98	Mai 86
Norway	241.32	251.34	186.24	147.22	229.07	180.07	-	385.21	337.18	262.7	206.1	231.4	80.76
Portugal	-	-	-	-	-	Feb 61	-	14.77	-	71.79	103.29	40.78	-
Spain	-	-	118.42	102.84	34.05	-	27.27	-	-	-	-	-	-
Sweden	-	26.77	47.8	-	-	-	0.71	26.68	-	-	-	Aug 45	-
Switzerland	-	23.72	16.56	-	-	-	Jan 24	-	31.72	16.91	Dez 33	14.19	13.55
United States	-	1923.8	5455.89	2665.12	3933.76	2633.32	2461.37	-	-	3412.92	-	-	-
EC	-	-	-	-	-	-	-	-	-	-	-	69.17	-
Korea	-	-	Jul 94	-	-	-	-	-	-	-	-	-	-
Turkey	-	-	-	-	-	-	-	-	-	-	-	-	35.5

Source: OECD DAC Aid Statistics, <http://www.oecd.org/dataoecd/50/16/5037775.htm>

**Appendix Table 3: Cost of Operations, UN data, Center for Global Development (CGD) estimate and OECD DAC statistics, 2002**

Amounts in USD million for 2002

	Contributions to UN peace operations	CGD estimate of direct cost of personnel contributed to UN-PKO (1998-2002 yearly average)	CGD estimate of indirect cost of personnel contributed to UN-PKO (2002)	Post-Conflict Peace Operations accounted for in Line V.2 OECD DAC
Australia	37	101	235	160
Austria	22	70	32	136
Belgium	26	2	1	63
Canada	59	36	49	No data
Denmark	17	13	17	No data
Finland	12	60	40	135
France	184	57	59	No data
Germany	224	42	39	No data
Greece	12	3	1	119
Ireland	7	68	50	No data
Italy	117	22	22	No data
Japan	443	15	98	No data
Netherlands	40	22	43	298
New Zealand	6	42	57	13
Norway	15	21	77	323
Portugal	10	70	34	149
Spain	58	15	8	No data
Sweden	24	17	21	No data
Switzerland	0	3	33	19
UK	157	60	118	No data
United States	639	74	179	No data

**Sources:** column 1: UN, column 2 and 3: CGD estimates see table 4; column 4: OECD DAC, see table 2

**Appendix Table 4: Estimate of Costs for UN and non-UN Peace Support Operations by Centre for Global Development for 2002**

Data for latest available year, all available DAC members, Amounts in USD million

Country	Financial contributions to UN-PKO (USD) (2002) <sup>1</sup>	Direct cost (USD) of personnel contributed to UN-PKO (1998-2002 yearly average)	Indirect cost (USD) of personnel contributed to UN-PKO (2002)	Direct cost (USD) of personnel contributed to non-UN missions (2002)	Indirect cost (USD) of personnel contributed to non-UN missions (average 1998-2002 yearly average)	Sum
Australia	37	101	235	7	752	1132
Austria	22	70	32	67	24	215
Belgium	26	2	1	175	101	305
Canada	59	36	49	291	300	735
Denmark	17	13	17	115	133	295
Finland	12	60	40	104	66	282
France	184	57	59	966	829	2095
Germany	224	42	39	914	1140	2359
Greece	12	3	1	238	41	295
Ireland	7	68	50	24	14	163
Italy	117	22	22	886	594	1641
Japan	443	15	98	0	0	556
Netherlands	40	22	43	312	388	805
New Zealand	6	42	57	9	15	129
Norway	15	21	77	137	137	387
Portugal	10	70	34	80	20	214
Spain	58	15	8	347	118	546
Sweden	24	17	21	101	125	288
Switzerland	0	3	33	19	142	197
UK	157	60	118	581	3008	3924
US	639	74	179	1093	13726	15711
Luxembourg	0	0	0	0	0	0

*Source: Michael O'Hanlon and Adriana Lins de Albuquerque "Note on the Security Component of the 2004 CDI" The Brookings Institution (April 2004)*

Methods:

Both indirect and direct costs of personnel contributions seem to be very rough estimates. In calculating the direct cost of personnel contributions to UN peacekeeping operations (UN-PKO) (includes civilian police, observers and troops), CDI takes "the average annual cost of deploying personnel to such missions during the time period 1998-2002."<sup>2</sup> CDI values the monthly cost of

<sup>1</sup> Original source: UN Department of Peacekeeping Operations, New York. Taken from O'Hanlon, Michael and Adriana Lins de Albuquerque "Note on the Security Component of the 2004 CDI" The Brookings Institution (April 2004)

<sup>2</sup> O'Hanlon, Michael and Adriana Lins de Albuquerque "Note on the Security Component of the 2004 CDI" The Brookings Institution (April 2004) pp. 9

deploying any kind of personnel at a standard of USD 9,000 (it puts costs at USD 10,000 and subtracts the standard monthly compensation of USD 1,000 offered by the UN). In calculating the indirect costs of personnel contributions to UN-PKO, the average annual costs of having personnel ready to take part in UN-PKOs are calculated. The amount of these available forces is measured as the highest annual value of personnel deployed over the time period 1998-2002. This peak is assumed to be the total number of forces trained and provided for by each DAC country, in order to be contributed to UN-PKOs. The indirect costs of personnel contributions are taken as the sum of this peak, divided by the total active military forces of that specific country, multiplied by the average defense budget of the country over the period 1998-2002.

Only the financial contributions to UN-PKOs are given, because no equivalent standard of measuring financial contributions to non-UN peacekeeping and humanitarian operations exists. The annual financial contributions are measured according to the average annual amount of contributions of a DAC country to UN-PKO for the period 1998-2002.

The following list of peacekeeping missions and humanitarian interventions is included in calculating the direct costs of personnel contributions to non-UN peacekeeping operations:

- Peace Monitoring Group in Bougainville
- Multinational Force and Observers, Egypt
- SFOR, Bosnia
- KFOR, Kosovo
- ISAF, Afghanistan
- AFOR, Albania
- Northern Watch, Iraq
- INTERFET, East Timor
- Kosovo air war
- Deliberate Force, NATO air operation in support of SFOR operations
- Joint Guardian, NATO contingency operation in Kosovo
- French intervention in Cote d'Ivoire
- British intervention in Sierra Leone

The calculations are the same as those for the costs of personnel contribution to UN operations, though obviously the cost of personnel is now set at USD 10,000 per person per month, as the UN compensation of USD 1,000 per person per month does not apply. Personnel contributions were calculated depending on the duration of the mission because these missions did not always take place in the full twelve months of the year they are listed in.

Indirect costs of personnel contributions to non-United Nations peacekeeping operations is measured as the average annual cost of having personnel ready to be deployed to such missions during the time period 1998-2002. The peak annual contribution of personnel of a DAC country is taken as the number of personnel that country has ready to be deployed. This peak is assumed to be the number of personnel that a country needs to train and provide for in order to be able to contribute them to a PKO when needed. The estimated costs are calculated by dividing the peak number of personnel contributed by a specific DAC country to the above listed operations, divided by the total active military forces of that country and then multiplied by the average defense budget of the country in question over the period 1998-2002.

**Appendix Table 5: UN Peacekeeping Costs, current operations as of mid-November 2004**

	Deployed in:	Budget in million US\$ (1 July 2004 - 30 June 2005)	Budget Status
AFRICA			
ONUB	Burundi	333.17	Proposed
UNOCI	Ivory Coast	384.35	Proposed
UNMIL	Liberia	864.82	Approved
MONUC	DRC	746.10	Approved
UNMEE	Ethiopia and Eritrea	216.03	Approved
UNAMSIL	Sierra Leone	301.87	Proposed
MINURSO	Western Sahara	44.04	Approved
AMERICA			
MINUSTAH	Haiti	379.05	Proposed
UNMISET	East Timor	85.33	Proposed
UNMOGIP	India and Pakistan	7.25	Appropriation
EUROPE			
UNFICYP	Cyprus	6.5	Approved
UNOMIG	Georgia	33.59	Approved
UNMIK	Kosovo	278.41	-
MIDDLE EAST			
UNDOF	Golan Heights	43.03	Approved
UNIFIL	Lebanon	97.80	Approved
UNTSO		27.69	Appropriation
	TOTAL	3,849.03	

*Source: All data taken from UN website: total budget only*

**Appendix Table 6:** Apportionment of the Expenses of UN Peacekeeping Operations for Budget Year 1 July 2004 - 30 June 2005 to DAC Countries

Country	Apportionment in % of total costs <sup>3</sup>	Total expected contribution of this country (US\$ million)
US	26.55256667	1,022.0
Japan	19.468	749.3
Germany	8.662	333.4
UK	7.394866667	284.6
France	7.296	280.8
Italy	4.885	188.0
Canada	2.813	108.3
Spain	2.52	97.0
Netherlands	1.69	65.0
Australia	1.592	61.3
Switzerland	1.197	46.1
Belgium	1.069	41.1
Sweden	0.998	38.4
Austria	0.859	33.1
Denmark	0.718	27.6
Norway	0.679	26.1
Greece	0.53	20.4
Finland	0.533	20.5
Portugal	0.47	18.1
Ireland	0.35	13.5
New Zealand	0.221	8.5
All DAC members:	90.4974333	3,483.3

*Source:* calculated on basis of Table 5

<sup>3</sup> Taken from Implementation of General Assembly resolutions 55/235 and 55/236 (A/58/157/Add.1)



**Appendix Table 7: Costs of External Mission of the German Bundeswehr**

Mission/country	2004	2003	2002	2001	2000	1999	1998
	Expected	Expected	Expected	Expend	Expend	Expend	Expend
	expend- itures	expend- itures	expend- itures	itures	itures	itures	itures
	in Mio. €	in Mio. €	in Mio. €	in Mio. €	in Mio. €	in Mio. €	in Mio. €
SFOR/ Bosnia-Herzegovina			151.3	157.2	148.5	160.8	179.1
KFOR/Kosovo			418.0	478.8	474.0	356.0	6.9
AFOR/Albania				0.3	1.5	35.0	
Essential Harvest/ Macedonia			6,8	78			
TASK FORCE FOX/ Macedonia			32,5	29.3			
ENDURING FREEDOM/ Djibuti, Kuwait etc			305.6	5.3			
ISAF/Afghanistan			298.6				
UNOMIG/Georgia			0.2	0.2	0.2	0.2	0.2
KFOR/SFOR equipment			355.4	442.7	445.4		
Total	1,050	1,153	1,568.4	1,191.8	1,069.6	552.0	186.2

**Sources:** 1998-2002: Hans Georg Wagner *Parlamentarischer Staatssekretär, Bundesministerium der Verteidigung*, 3. Dezember 2002; 2003-2004: *Financial Times Deutschland*, 18.10.2004

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