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## **Draft Report of Ad Hoc Committee on the Review of the Place of Peace Fund in the Commission's Organogram 5<sup>th</sup> April 2023**

### **Executive Summary**

Peace Fund is a support tool for ECOWAS activities in the areas of human security, conflict prevention, management, resolution, peacekeeping and security. It was established to assist in financing peace, security, and humanitarian activities of ECOWAS. The Fund has been existing as a budget line in the Community's budget and utilised on the approval of the President. It has received funds from partners with the help of the Fund Management Unit which operates under the supervision of the Commissioner for Peace and Security and at some point, directly supervised by the President of the Commission. However, by law, Peace Fund was established to be administered by the President of the Commission.

The Peace Fund is not in the current organogram of ECOWAS (and there is no evidence of its existence under any **approved** organogram in the past). Three options have been identified for locating the Peace Fund in the Commission's Organogram:

**One**, under the Office of the President of the Commission as a budget line with a Fund management Unit assisting with its administration and;

**Two**, as a Conventional standalone Fund, besides the Office of the President of the Commission, endowed with a governance structure.

A **third** option on delegation of its administration to CPAPS is made to ease its operations.

The internal structure of the Fund Management Unit with respect to staffing and grade of the staff will be determined after an analysis of the mandate, scope, quality and quantity of the functions of the Fund Management Unit.



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### **Background**

Following an interdepartmental consultation on the review of the Peace Fund Organogram on 4<sup>th</sup> April 2023, an ad hoc committee was set up to review and identify the place of Peace Fund in the Commission's Organogram. Currently, the Peace Fund unit is not in the ECOWAS Organogram following its review in 2018.

The ad hoc Committee met on 5<sup>th</sup> April 2023 and deliberated on the following:

- i. The status of the Peace and its operations at present
- ii. The options for its location within the Commission's organogram

### **Initial Deliberations**

The committee deliberated on the following:

- **Origin of the Peace Fund:** The Peace Fund originated from *Article 36 of the ECOWAS Protocol on the Mechanism for Conflict Prevention, Management, Resolution, Peacekeeping and Security*, as a financing instrument for the Mechanism. The Protocol mandated the Executive Secretariat (now the Commission) to make provision in its annual budget for funds to finance activities of the mechanism. It provided for a percentage of the Community Levy to be earmarked for these activities. The Protocol also provided for raising additional funding through the United Nations and other international agencies, as well as from the OAU (AU), voluntary contributions and grants from bilateral and multilateral sources.

In furtherance of this desire to put in place the necessary financial framework that would assure the efficient operationalisation of all ECOWAS peace and security initiatives, the 51<sup>st</sup> Session of the Council of Ministers, which held on 15<sup>th</sup> – 18<sup>th</sup> December 2003 in Accra, Ghana, enacted the Peace Fund.

- **Management of the Peace Fund:** Article 2 of the 2003 Regulation relating to the Establishment of the Peace Fund for ECOWAS, which came from the 51<sup>st</sup> Meeting of the Council of Ministers in Accra, states that the Executive Secretary (now President of the Commission) is responsible for the Management of the Peace Fund.
- **Operationalisation of the Peace Fund:** In the operationalising the Peace, ECOWAS received a grant from the African Development Bank (AfDB) in 2005



**ECOWAS COMMISSION  
COMMISSION DE LA CEDEAO  
COMISSÃO DA CEDEAO**

under the ECOWAS Peace and Development Project (PADEP). Peace Fund was set up under the Department of Political Affairs, Peace and Security following the transformation of the Executive Secretariat into a Commission in 2006, with the staff recruited in November 2005 effectively assuming duty in May 2006. The Fund was endowed with a Fund Management Outfit, with the following staff:

- Fund Manager; Office Manager, Driver; Consultants, etc

The Fund suffered setbacks: delays in its operations, became ineffective and most of the Staff left in the process. Thus in 2010, the Peace Fund unit was brought under the office of the President of the Commission with the goal of making it more dynamic. In 2014, the Peace Fund was again returned to the Department of PAPS on the argument that as an implementation tool, it was better placed in the programme department.

- **Peace Fund in the past Organograms:** There is no evidence to show that Peace Fund was ever placed within an approved organogram of ECOWAS. It has only been existing on the side of the Office of Commissioner PAPS or the President of the Commission. In the review of ECOWAS Organogram in 2018, Peace Fund was omitted in the entire organogram of the Commission.
- **The current Operations of the Fund:** Peace Fund has received and managed funds from the Community Levy (annual allocation of 5% of the Community's budget earmarked by the Council of Ministers on the recommendation of the Admin and Finance Committee) and partners [AfDB (2005-2013); Canada (2006-2011); Greece (2006); Italy (2007); Japan (2010-2012); EU (2010-2024)].
- **Fund Management:** The Community Levy funds are allocated and utilised on the approval of the President of the Commission, while the partner funds are utilised based on the provisions of the Financing Agreement, sometimes involving implementing agencies, steering committees and co-management arrangements with the partners. The Peace Fund unit assists with the processing, allocation of the funds, and monitors and evaluates the use of the funds by the beneficiary departments.



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COMISSÃO DA CEDEAO

### **Location of the Peace Fund in the Commission's Organogram: Options**

- ✓ The Committee is of the view that the Peace Fund needs to be restored in the organogram in view of the existence of legal texts supporting it and the fragility of the ECOWAS region, where many issues identified as conditions for the application of the ECOWAS Mechanism for Conflict Prevention still very much prevail, namely:
  - aggression or conflict in any Member State or threat thereof;
  - conflict between two or several Member States;
  - internal conflict: (a) that threatens to trigger a humanitarian disaster, or (b) that poses a serious threat to peace and security in the sub-region.

The Committee reviewed the background of the peace fund and its actual operations in practice and came up with **three options**:

### **Option I: Place the Peace Fund back under the Office of the President of the Commission:**

#### **Justifications:**

- The legal texts, the 2003 Regulation, provides for the Peace Fund to be managed by the President.
- Currently, Community Levy part of the peace fund is a special budget line in the Community's budget which is utilised on the approval of the President.
- The use of the peace fund from the Community Levy is fast, seamless and devoid of any bureaucracy as it only requires the approval of the President.
- There are other departments, besides PAPS, that equally share in the right to use the Peace Fund. These include Human Development and Gender, Economic Affairs & Agriculture, WAHO-in case of Pandemic for example, etc.
- The Fund Management unit can directly work under the President, and assist the President in the management of the Fund (receiving and processing requests, administration of the funds including monitoring, evaluation and reporting)
- Finance Department can retain the custodianship of the fund as a budget line and work with the Peace Fund Management Unit

#### **Challenges with this option**

- Some partners will not agree to place their funds under the singular authority of the President to be disbursed.
- Partner funds often require having a management arrangement, such as Steering Committee, etc.
- The Fund will remain an annual budget line with unutilised funds lost at the end of the budget cycle, and not accumulated as required of a Fund.



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**Option II:** Establish Peace Fund as a Conventional Fund, standalone besides the Office of the President of the Commission

**Justifications:**

- Peace Fund can be categorised as a Special Fund established by Article 48 of the 2021 ECOWAS Financial Regulations. These are monies or funds set aside or received by for on behalf of ECOWAS for a special purpose. Expenditure made there from, shall be only for purpose for which the monies have been provided or set aside.
- The 2021 Financial Regulations confers on the President the authority as the “Chief Executive Officer” responsible to the Council of Ministers and the Authority of Heads of State and Government, appointed in line with Article 18 of the Revised Treaty, for the overall management, custody, safety and integrity of all ECOWAS funds and resources and **other special funds**.
- As Special Fund, the Peace Fund will have a governance structure and procedures for its operations. Membership of the governance structure and operational procedures may be drawn by the President of the Commission and submitted for the approval of Council.
- Functioning as a typical fund, the Peace Fund can attract funding from partners, who may be given a space within the governance structure of the fund.
- The provision for accumulation of the Fund could be established, as against the current practice of a budget line whose funds are lost at the close of the budget cycle annually.
- The Fund management Unit can be established as the secretariat of the fund under the authority of the President.
- Benchmarking from the African Union indicates that the Peace Fund is established as a regular fund with Board of Governance, Directorate for the Fund which reports to the Chair of the African Union Commission.



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**Challenges with this option**

- The Peace Fund may lose its flexibility and speed of application in emergency situations as the governance structure may place encumbrances on the rapid deployment of the fund.
- Part of the fund will be lost to servicing the operation of the governance structure, in the form of payments for meeting logistics, per diems etc.

**Option III:- Option for delegation**

Notwithstanding the two options above, the Peace Fund can be located/retained under PAPS by the expressed authorization or delegation of the President of the Commission. This can be considered for all practical purposes, where the CPAPS can act on behalf of the President to coordinate the administration of the Fund and report to the President who in turns has responsibility to report to Council on the use of the Funds.

**Justifications**

- Ease of oversight of the operationalisation of the fund management secretariat by the CPAPS,
- Fund management unit reporting directly to the CPAPS as currently happening.

**Challenges**

- Continuous existence as a slush fund and not a revolving fund
- The Peace Fund unit not able to have free interface with other Departments/Institutions based on reporting line issues.

**On the Internal Organisational Structure of the Peace Fund**

On the internal organisational structure of the Peace Fund, the Committee is of the view that this would depend on the choice of the option by Management. It is will also depend on an analysis of the mandate, scope of the functions of the Fund Management Unit. This analysis will be used to determine the number of staff to work under the fund, their grade roles and responsibilities.

In general, it was agreed that the current function of the Peace Fund Management Unit is to provide financial support to its target beneficiaries, help them in the administration of the funds with regards to documents preparations, audit and reporting, particularly with respect to partner funds.



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**Members of the Ad Hoc Committee present**

1. Mr Dieudonne NIKIEMA
2. Mr Daniel Kpassou Serge DJIZOE
3. Mr Desire Noel A KOFFI
4. Mr Babatunde IDOWU
5. Mrs Gloria UGWUNZE
6. Dr Habibu Yaya BAPPAH