

REQUEST FOR TASK ORDER PROPOSALS NO. 527-P-06-010

SECTION I- STATEMENT OF WORK

Evaluation of the Alternative Development Program

I. Background

The USAID/Peru' Special Objective of "Sustained Reduction of illicit Coca Crops in target areas of Peru" reflects a long-term USG counter-narcotics strategy composed of two interdependent elements: 1) law enforcement, interdiction and eradication aimed at disrupting narcotics trafficking and lowering the farm-gate price of coca leaf; and 2) Alternative Development interventions aimed at increasing the licit economy and social stability in the target areas. Both work together to convince poor, rural farm families cultivating the coca plant to abandon the illicit coca economy by eradicating their coca and participating in development activities that produce results in the shortest timeframe possible.

The strategy, which started to be implemented in 2002, is based on the hypothesis that:

There are four necessary conditions that lead to the strategic objective of "Sustained reduction of illicit crops in target areas of Peru":

- IR 1. Effective management of counternarcotics issues
- IR 2. Willingness to reject coca increased
- IR 3. Licit economic opportunities available
- IR 4. Perceived value of government increased

Present coca producers will leave the business and potential coca producers will not begin coca cultivation to the extent that there are improvements in all of these conditions.

Because the conflict and instability engendered and exploited by the illicit narcotics industry stymies investment and thus undermines Peru's development efforts, USAID has identified the sustained reduction of illicit coca cultivation as a mission-wide objective. For this purpose, USAID started to concentrate its "on-the-ground" development interventions, which were contributing to other Mission Strategic Objectives (Democracy, Poverty Reduction, health, education, environment), in areas where the lack of state presence allows the coca industry, illegal logging and other illicit activities to flourish. Specifically, all USAID field activities are being implemented in the seven regions of: San Martin, Huanuco, Ucayali, Pasco, Junin, Ayacucho, and Cusco. The Mission started to work with all its implementing partners to promote integrated (cross - sector) development in these regions, as well as to prioritize the delivery of benefits to communities that have agreed to pursue a coca-free way of life. This focus is intended to generate synergies among the activities

Request for Task Order Proposal No. 527-P-06-010
Section I – Statement of Work

implemented in support of different strategic objectives in order to create an enabling environment to achieve an accelerated and sustained elimination of illicit coca cultivation.

Funds from the Andean Counternarcotic Initiative (ACI) were used to finance a) Alternative Development Program activities, and b) sustainable development activities, implemented by other SOs that will contribute to the sustainable reduction of illicit crops.

The Alternative Development Program (ADP) contributes to the Strategic Objective, by working with communities committed to voluntarily eradicating their illicit coca production, providing them an integrated package of activities aimed at improving their quality of life and maintaining their independence from the illicit coca industry.

As mentioned above, the AD Program uses a multi-sector, integrated rural development approach that spans across all SOs to achieve the special objective of “Sustained reduction of illicit coca crops in target areas of Peru”. Results essential to achieving this objective include improving the effective management of counternarcotics issues, both through improved policy and legislation at the national level and implementation of these policies and laws throughout the seven departments where the coca leaf is grown; the availability of licit economic opportunities both on and off-farm; increasing the value of local and central government to residents of the coca areas through effective social governance that engages citizens with their elected officials and civil society organizations; all contributing to a public willingness to permanently reject illicit coca cultivation. These are reinforcing and indivisible and, when programmed and implemented, create synergies among activities. Communications to influence policy and behavior change, operations research, and monitoring and evaluation interventions support activities at all levels.

The principal Government of Peru (GOP) counterpart for alternative development implementation is the "Comisión Nacional para el Desarrollo y Vida Sin Drogas (DEVIDA)", which is charged with coordinating, promoting, planning, monitoring, and evaluating the programs and activities of the "Estrategia Nacional de la Lucha Contra las Drogas" (National Strategy in the Fight Against Drugs). DEVIDA is also charged with coordinating the technical and programming inputs from several ministries involved with development as well as law enforcement. Under the voluntary eradication strategy, activities are implemented, supervised and monitored by USAID's “umbrella contractor”, Chemonics International (CI). Additionally, some activities that contribute to the Alternative Development Program under other Mission strategic objectives are managed through other implementing organizations' field offices according to their existing agreements with USAID/Peru, e.g., activities under USAID's Poverty Reduction and Alleviation Activity. A list of all implementers that are a part of the ADP and the size of the program is attached as annex 1.

II. Purpose of the evaluation

The overall objective of this evaluation is to assess the relevance and effectiveness of the USAID/Peru's Alternative Development (AD) program and strategy to sustainably reduce illicit coca crops in the context of the broader USG

Request for Task Order Proposal No. 527-P-06-010
Section I – Statement of Work

counternarcotics strategy. Findings, recommendations and lessons learned from the evaluation will be used by USAID to better align and focus its resources to achieve its objective within a new strategy for the period FY 2008-2012.

The focus of the evaluation will be the effectiveness of the alternative development program and strategy as implemented during the period 2002-2006 to sustainably reduce cultivation of illegal coca. Specifically, the contractor will undertake an in-depth analysis of all elements of the AD strategy and their contribution towards reaching the program's strategic objective and intermediate results, and the reasonability of the investments in relation to the results obtained to date.

III. Evaluation context and questions

The evaluation team will assess specific aspects of the USAID's AD strategy:

- a) Relevance and contributions to the achievement of the SO of non-USAID actions: namely security and eradication/interdiction, implemented by the GOP Ministry of Interior, with support of other USG agencies (i.e. NAS, DEA).
- b) Relevance and contributions to the achievement of the SO of several ADP components: the voluntary eradication process, productive activities, community infrastructure, communications, policy & institutional strengthening, monitoring & evaluation (M&E) and management.
- c) Relevance and contributions to the SO of non ADP activities, such as access to markets, financial services, democracy, sustainable natural resource base and access and use of quality social services.

The analysis will differentiate the impact by level of geographic areas:

The ADP operates in approximately 600 communities within four distinct regions that correspond to different regional management offices as well as very different program environments (Tarapoto/Juanjui, Pucallpa/Aguaytia, Tingo Maria/Tocache, and the VRAE [Valle del Rio Apurimac y Ene]). USAID non-ADP activities are more broadly located within the seven departments of: Cusco, Ayacucho, Huanuco, Junin, Ucayali, San Martin and Pasco. Therefore, when it is appropriate, the evaluation team should include analyses by communities, regions, and departments in their responses to evaluation questions, as well as identifying any overarching trends.

The abundance of well-organized data and information that has resulted from a constant monitoring of program activities during the length of the project will serve as the basis for the evaluation team's quantitative analytical work. Because of the wealth of data available, the mission expects the evaluation team to support its findings with solid quantitative analysis. To this end, USAID, the implementer and the counterpart, DEVIDA, will proactively facilitate access to any data that the evaluation team deems relevant.

The following presents two groups of questions: principal and secondary. The first ones are intended to focus the evaluation team's efforts on those issues that USAID considers most important, the second ones includes questions that should be answered but they will not require an in-depth analysis. **Analyses for all questions should include a discussion of best practices and lessons learned.** In order to adjust for any changes in evaluation priorities, USAID expects the evaluation team to actively seek guidance and consensus throughout the development of the evaluation design.

PRINCIPAL QUESTIONS

1. Is the voluntary eradication (VE) process, including pre and post community agreement activities, effective in obtaining and maintaining commitments to remain coca-free? What was achieved and what is left to be achieved?

The sustainability of the voluntary eradication program is premised on long-term behavior change on the part of community participants. This behavior change begins with a commitment on the part of each family to eliminate their coca and opt for a licit lifestyle. Based on this commitment, the government, via the ADP, commits to carry out a series of development activities that support the community's development. These activities are also intended to affect those factors that USAID identifies as being important in sustaining this commitment, i.e. factors identified in the results framework.

The ADP, via the Chemonics PDAP, is responsible for carrying out all of the activities that lead up to the signing of the agreement by the community and the representatives of DEVIDA, as well as activities to ensure that the community members follow-through with their commitment and remain coca-free. It is important that this process result in agreements with communities whose members recognize coca as a threat to their development, and that it not become a 'purchase' of coca with program benefits. This requires a nuanced approach to reaching and maintaining VE agreements.

In answering this question, the evaluators should address the following issues:

- Is the staff responsible for carrying out the 'sensibilización' process effective in delivering the 'ADP' message and securing meaningful commitments from communities?
- Are broader communications activities well coordinated to contribute to the success of the VE process?
- Are participant expectations managed during this process? Note: the VE model underwent important modifications in late 2004 that were, in part, intended to improve the definition of expectations and obligations of all parties under the agreement; the evaluation should assess the degree to which these changes were implemented in 2005.
- Considerable effort has been made to correct a lack of direct and continued interaction with communities during the first phase of the VE program that led to a perception on the part of many participants that the program had abandoned its commitments. Is the ADP maintaining sufficient direct communication with participating communities to ensure that: the communities remain engaged with the program, follow-through with eradication, and are informed that the ADP is aware of non-compliance (e.g. replanting of coca)?
- Is there any impact in the target population that fosters its willingness to give up coca and adopt a licit lifestyle, while encouraging local participation in community development activities? Are there gender based differences?
- Is the current VE approach appropriate to achieve the expected objectives for all geographic settings? What are the key differences?

Request for Task Order Proposal No. 527-P-06-010
Section I – Statement of Work

- What aspects of the VE strategy have been the most and the least effective?
- What elements are necessary to ensure that VE is a success?

2. Can the current range of productive activities be expected to permit reasonable sustained income levels to the families participating in the Program (i.e. increased licit incomes)?

The increased availability of sustainable and profitable legal productive activities is absolutely critical to the medium and long-term success of the program. Providing the mission with analysis and recommendations that will help to strengthen all activities related to increasing licit productive opportunities is the highest priority for the evaluation team.

In answering this question, the evaluators should address the following issues:

Activity selection and design:

- Did activity selection and design take into account established best practices?
- Are the activity designs realistic and appropriate to achieve their related program objectives?
- Has the program incorporated effective methods for leveraging the participation of private sector or other relevant actors?
- Did activity selection take into account the reality of each region and the possibilities of access to markets?

Implementation:

- Are the variety of functions carried out by different productive activity agents, including efforts by the Poverty Reduction and Alleviation Program (PRA), the economic service centers (CSE) and the ADP, well defined and effectively articulated in the field?
- Were the business plans really effective?
- Are the different ADP implementers carrying out these activities as they were designed?
- Is the relationship between Lima technical offices and field implementers effective?

Results:

- Are commercialization activities directed in such a way that they are having (or, for productive activities in development, will have) an impact in improving incomes of ADP farmers receiving assistance? What factors limit or will contribute to increase the impact?
- To what degree are the different components of the productive activities, including production, post production and commercialization, achieving their stated objectives?
- Were the productive activities carried out by CI really effective in obtaining and maintaining commitments to maintain coca-free? Are there gender-based differences?

Request for Task Order Proposal No. 527-P-06-010
Section I – Statement of Work

- How was the effectiveness of the technical assistance as it relates to improved productivity compared to average production levels in the geographic area of families/communities signing voluntary eradication agreements?
- To what degree the increase of incomes at the family level reduce the possibility of replanting?
- What would be the impact in income generation of the new scheme of “co-participatory” support (i.e. partial funding for installation)?
- What can the mission conclude regarding the utility of micro-credit mechanisms in achieving program objectives from the results of the long-running credit activity recently concluded under the ADP?

3. Is the ADP management structure appropriate to efficiently carry out the program and achieve its objectives?

In order to improve performance and efficiency, the contractor CI has executed a number of management changes over the last year, including the decentralization of authorities and responsibilities to the regional offices and the reduction in international staff. USAID would like an assessment of this reorganization.

In answering this question, the evaluators should address the following issues:

- Are the new assignments of responsibility and corresponding changes in authority and function clear to the affected staff?
- Do regional managers have the technical support and authority that they need to carry out their new responsibilities?
- Is the current mix of staff commensurate to the contractor’s implementation responsibilities?
- How effective are the regional offices in achieving their objectives? What are the differences between regions?

4. Have other USAID activities being implemented in the same areas as ADP substantially contributed to creating an economic, social and institutional environment conducive to the sustainability of coca reduction?

In answering this question, the evaluators should address the following issues:

- Are results from EG, ENV, DG, Health and Education programs perceived by the AD target population as valuable benefits? Which are the results primarily recognized by the population? Are those results perceived as proceeding from their commitment to a coca-free, licit lifestyle?
- Does the population perceive an improved performance of sub-national governments in AD areas? Is such perception associated to an increased perceived value of the state presence and of citizen’s engagement in licit lifestyles?
- Is there a role for local authorities and municipalities in convincing farmers to reduce coca and sustaining coca reduction? Why or why not?

Request for Task Order Proposal No. 527-P-06-010
Section I – Statement of Work

- Is the increase in licit family incomes –as result of USAID-funded activities– related to the sustainability of coca reduction?
- Is the development of a regional licit economy conducive to sustaining the reduction of illicit coca? What factors can constrain or contribute to its effectiveness?
- Do improvements in access to/quality of social services –as result of USAID-funded activities– relate to better appreciation of licit lifestyles?
- Does sustainable management of natural resources established with USAID funding improve chances to sustain coca reduction?
- How effective has the current working arrangement been between the AD SO and other SOs to achieve the overall Mission objective to sustainably reduce coca cultivation? What could be improved?
- How has the USAID-GOP relationship facilitated/hindered ADP implementation? What has and has not worked?
- How has the USAID/NAS relationship facilitated/hindered ADP implementation? What has and has not worked?
- Suggest effective ways to integrate donor contributions to maximize cooperation and increase the likelihood of success of the AD program to sustain impact.

SECONDARY QUESTIONS

5. What are the strengths and weaknesses of the ADP communications program, strategic, operational or otherwise, and what action can USAID take to reinforce the impact of these activities?

USAID began the first ADP communications program in 2003 in recognition of the fact that achieving sustained coca reduction ultimately meant that families must be convinced that growing coca prejudices themselves and their communities. Communications are also expected to counterbalance the effects of a powerful pro-coca disinformation campaign. The program has developed rapidly over the last three years, and it has undergone a particularly strong evolution since mid-2004 when an assessment identified a series of problems in the articulation of the strategy into field implementation. USAID will value very highly findings that will help the mission further orient and strengthen this program.

In answering this question, the evaluators should address the following issues:

- Is the design of the ADP communications strategy adequate to achieve its objectives, assuming it is implemented according to expectations?
- Since its previous evaluation in mid-2004, to what degree has the implementer employed best practices and lessons learned to improve the strategic design, implementation and monitoring of communication activities?
- To what degree is the ADP successful in translating the global ADP communications strategy, generated jointly in Lima, into regional communications operations with strategically concerted activities implemented by a myriad of

Request for Task Order Proposal No. 527-P-06-010
Section I – Statement of Work

actors? Are these actors (both staff and organizations) playing the role that is assigned them in the communications program?

- What progress has been made towards achieving attitude changes related to the IR2 as well as positioning the program for success in the cocalero valleys? Does evidence suggest that improvements can be attributed to program interventions?

6. Have USAID counter-narcotics policy and institutional development interventions improved Peru's management of counter-narcotics issue to make coca reduction more sustainable?

In answering this question, the evaluators should address the following issues:

- What has been the impact of USAID efforts to shape GOP policy and opinion on counternarcotics and alternative development, and to strengthen relevant GOP institutions?
- Have priority counternarcotics legal and regulatory issues been identified and addressed by the GOP? Have such issues been sufficiently prioritized within GOP's policy agenda?
- In cases of negative or mixed results, what are the main factors impeding a better GOP handling of the policy agenda? What else can be done by USAID/other USG agencies to improve this situation?
- What factors have limited DEVIDA effectiveness to lead Peru's CN strategy? Do we need to focus on institutional development or in improving political will?
- What GOP entities should be involved in implementing an effective and comprehensive counternarcotics strategy? How can this effort be efficiently led and coordinated?
- What is the contribution of interventions geared to improve security and programmed eradication/interdiction to sustained coca reduction?

7. To what degree are monitoring, analytical and research activities financed by ADP providing decision-making support to ADP and USAID?

USAID has emphasized the development of monitoring and analytical capabilities in the ADP since its inception. The development of an advanced information system and research activities are two key areas of investment that were made to achieve a program based on evidential decision-making. USAID would like the evaluation team to assess the degree to which these functions support day-to-day operations and strategic decision making. To a large degree, the ability of the team to access information that permits it to respond to the other evaluation questions should provide a strong indication of the effectiveness of ADP information and research functions.

IV. Existing performance information sources

As mentioned earlier, alternative development activities are very well documented both by internal monitoring processes and surveys carried out by DEVIDA with the participation of USAID. This information is warehoused in databases at DEVIDA as well as an advanced information system maintained by the ADP. Because USAID, DEVIDA and ADP participate in a multi-institutional monitoring and evaluation committee, a high level of coordination and information sharing between the various institutions already exists and should facilitate very rapid access to information by the consultants. The members of this committee may also provide information processing assistance to the evaluation team as agreed upon during evaluation process.

Existing information sources and previous studies that are relevant to the ADP evaluation include the following:

- **ADP monitoring database and CORVU database management interface:** this database warehouses information on virtually all ADP activities as well as many partner activities in every participating ADP community (now over 600 including almost 40,000 families).
- **DEVIDA annual impact surveys:** DEVIDA and USAID carry out annual surveys at the population level in ADP areas which include representative samples for both ADP and non-ADP communities by region. The survey includes information on family income, economic activities, migration and attitudes on a range of subjects including the program. These surveys are available for all project years. (2003-2006)
- **DEVIDA periodic verification studies:** the verification studies take the form of surveys of productive activity beneficiaries and include information on the delivery of benefits as well as their perception regarding these activities among others. These studies are available for all project years. (2003 – 2006)
- **CAMRIS investigation subcontract:** CAMRIS, a subcontractor to Chemonics International, is charged with supporting the ADP and DEVIDA monitoring systems as well as carrying out several research initiatives designed to support strategic and operational decision making by decision makers at ADP, USAID and DEVIDA. CAMRIS is scheduled to conclude some very important analytical work regarding the profiling of communities by those factors that are most relevant to the ADP, which should be of great interest to the evaluation team.
- **Previous studies and evaluations** carried out by the ADP in support of program implementation, including: an assessment of the communications program implementation executed by CONECTA; a study of the microeconomic behavior of coca producers conducted by APOYO; and several others.

V. Evaluation methods

The evaluation team should identify appropriate analytical techniques for each of the evaluation questions, however USAID expects the details of evaluation design to be addressed by the team itself and presented in a plan to the alternative development team upon initiation of the assignment. This said, USAID expects the following:

- The team should rely on secondary data for all quantitative analyses. USAID has invested heavily in the collection, organization and analysis of data from the

Request for Task Order Proposal No. 527-P-06-010
Section I – Statement of Work

beneficiary and target populations, therefore the evaluation team should draw heavily from this body of evidence in generating its findings and recommendations.

- The evaluation team is expected to interview ADP, USAID, DEVIDA and sub-contractor staff as well as beneficiaries, other USG and GOP stakeholders, and key partners and stakeholders at the regional and local level, in order to complement secondary data with a first person perspective on the program environment and the experience and perceptions of the personnel. USAID considers this evidence to be essential in providing a third party perspective on the information that the program already uses on a regular basis. Certainly in the case of questions four and five, key personnel interviews will provide the basis for the team's conclusions.

VI. Team composition and participation

The Mission foresees the evaluation team to be constituted by three to four experts. Two of these experts should be Peruvian national candidates. Illustrative position titles follow :

- Agricultural Development Strategist / Senior Agricultural Economist
- Producer Organization Development Specialist
- Production Agronomists
- Information, Communication, technology expert.

The contractor will also be required to work as an integral part of their team with one or two staff members of other USAID Missions working with alternative development programs in the region. The USAID staff member(s) will be pre-identified and selected by USAID/Peru. The USAID staff member(s) will participate in the pre-arrival meetings from their home Mission, will arrive in-country at the same time as the contractor team, and will participate fully in all field work under the direction of the evaluation team leader. After field work is completed the USAID staff member(s) will participate in the final report writing from their home Mission.

All candidates should: have at least 10 years of international development experience; be fluent in Spanish; and, have either direct experience in implementing or evaluating alternative development field activities or ample experience with rural development activities.

The team members should have the following areas of expertise among them:

- Social communications for behavior change and community development;
- Implementation of agricultural/productive activities and poverty reduction projects, including a profound understanding of the commercial and contextual aspects that make or break these activities in the long-run;
- Statistical analysis for research and evaluation supporting development projects
- All team members will have the ability to interact with people from many different social and economic backgrounds. They also should possess excellent writing and presentation skills. The team will have combined skills and experience in rapid appraisal methodologies (interviews, focus groups, mini-surveys, etc.),

Request for Task Order Proposal No. 527-P-06-010
Section I – Statement of Work

gender analysis, institutional analysis, conflict prevention/mitigation, participatory processes involving local communities in planning, implementation and monitoring, and strong knowledge of Peru's public sector functioning and Peruvian political processes. In addition, the team should have a gender balance and combined experience in the Program related sectoral areas including agriculture/agribusiness, natural resource management, and social communications. All team members must be willing and able to travel to remote zones.

VII. Schedule and Logistics

Schedule:

The estimated level of effort is a minimum of 40 work days (with a six-day workweek authorized), of which a minimum of 29 should be spent in-country. The Mission strongly prefers the selected team to begin work during the month of October 2006. Country clearances must be obtained from the Mission prior to departure to Peru.

Illustrative schedule:

Days 1-6: Preparation, review background program documentation, pre logistic arrangements. Data analysis. Expat travel to Lima

Days 7-12: Lima interviews. Secondary data analysis,

Days 13-26: Field visit (Aguaytia, San Martin, Tingo Maria, VRAE)

Days 27-35: Report draft writing

Days 36-40: Final report writing: (only team leader)

Logistics:

Travel: In general, in-country travel will be the responsibility of the contractor. There is abundant taxi service in Lima and air travel to regional hubs. However, land transportation in the field (local airport to regional offices, regional office to communities) will be provided by ADP or DEVIDA at no cost.

Support: The team will be responsible for providing its own workspace, office supplies, computers, communications (cell phone rental), and clerical services required. The team will also be responsible for setting up and managing of all of its meetings. USAID will supply the necessary contact information.

VIII. Reporting and dissemination requirements

The following reports and deliverables are required:

a. An evaluation design plan, discussed with and approved by the USAID alternative development team; to be presented during the first week of the assessment schedule.

b. A debriefing session of the evaluation findings, to be presented orally to USAID two days after completing all field visits;