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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
Washington, D. C. 20523

PERU

**PROJECT PAPER**

DRUG EDUCATION AND PUBLIC AWARENESS

AID/LAC/P-259

Project Number: 527-0288

**UNCLASSIFIED**

<b>AGENCY FOR INTERNATIONAL DEVELOPMENT</b>		<b>1. TRANSACTION CODE</b> <input type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete		Amendment Number _____	<b>DOCUMENT CODE</b> 3
<b>PROJECT DATA SHEET</b>					
<b>2. COUNTRY/ENTITY</b> PERU		<b>3. PROJECT NUMBER</b> 527-0288			
<b>4. BUREAU/OFFICE</b> LAC		<b>5. PROJECT TITLE (maximum 40 characters)</b> Drug Education and Public Awareness			
<b>6. PROJECT ASSISTANCE COMPLETION DATE (PACD)</b> MM DD YY 09 30 90		<b>7. ESTIMATED DATE OF OBLIGATION (Under 'B.' below, enter 1, 2, 3, or 4)</b> A. Initial FY 85 B. Quarter 4 C. Final FY 88			

8. COSTS (\$000 OR EQUIVALENT \$1 = )						
A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	250		250	1,535	2,465	4,000
(Grant)	( 250 )	( )	( 250 )	( 1,535 )	( 2,465 )	( 4,000 )
(Loan)	( )	( )	( )	( )	( )	( )
Other U.S.	1.					
	2.					
Host Country					100	100
Other Donor(s)						
<b>TOTALS</b>	250		250	1,535	2,565	4,100

9. SCHEDULE OF AID FUNDING (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1)	760	920				4,000		4,000	
(2)									
(3)									
(4)									
<b>TOTALS</b>						4,000		4,000	

<b>10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)</b> 960      690      560					<b>11. SECONDARY PURPOSE CODE</b>				
<b>12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)</b> A. Code      PVON      TECH      INTR      TRNG									
B. Amount									

**13. PROJECT PURPOSE (maximum 480 characters)**

The purpose of this Project is to increase public awareness of problems in Peru related to the production, trafficking, and abuse of illicit drugs and the social, political, economic and health consequences of these activities.

<b>14. SCHEDULED EVALUATIONS</b> Interim MM YY MM YY Final MM YY 08 87 12 88 07 90					<b>15. SOURCE/ORIGIN OF GOODS AND SERVICES</b> <input checked="" type="checkbox"/> 000 <input checked="" type="checkbox"/> 941 <input checked="" type="checkbox"/> Local <input type="checkbox"/> Other (Specify) _____				
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**16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a \_\_\_\_\_ page PP Amendment.)**

<b>17. APPROVED BY</b>	Signature 	<b>18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION</b>
	Title John Sanbrailo Director	

Project Authorization

Name of Country:	Peru
Name of Project:	Drug Education and Public Awareness
Number of Project:	527-0288

1. Pursuant to Section 105 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Drug Education and Public Awareness Project for Peru involving planned obligations of not to exceed Four Million United States Dollars (\$4,000,000) in grant funds ("Grant") over a five (5) year period from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process to help in financing foreign exchange and local currency costs for the project. The planned life of the project is 60 months from the date of initial obligation.

2. The project ("Project") consists of: (i) the creation and operation of a private, non-profit Peruvian Drug Education and Information Center directed by a group of private Peruvian citizens to conduct applied research on the impacts of drug abuse in Peru, educate the public regarding drug issues and related problems, and strengthen the network of private organizations involved in drug education activities through the provision of training and technical assistance, and (ii) a complementary component to improve the drug abuse prevention and education activities of the Ministries of Health and Education. USAID/Peru will implement the Project initially by financing a technical assistance contract with a U.S. consulting firm to assist in the formation of the Drug Education and Information Center, followed by providing a grant to the Center and by signing a separate bilateral grant agreement with the Government of Peru.

3. The Project Agreements, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

a. Source and Origin of Commodities, Nationality of Services (Grant)

Commodities financed by A.I.D. under the Grant shall have their source and origin in Peru or in the United States, except as A.I.D. may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services financed under the Grant shall have Peru or the United States as their place of nationality, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the Grant shall be financed only on flag vessels of Peru or the United States, except as A.I.D. may otherwise agree in writing.

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b. Waivers

i. A.I.D. source and origin regulations requiring U.S. manufacture of AID-financed vehicles are hereby waived to permit the procurement of one vehicle in an amount not to exceed \$20,000 from a country included in AID Geographic Code 899.

ii. AID source and origin requirements are hereby waived to permit the procurement of training and related services and commodities in an amount not to exceed \$250,000 from countries included in AID Geographic Code 941.

In approving waiver "i", I certify that exclusion of procurement from free world countries other than the cooperating country and countries included in Code 941 would seriously impede attainment of U.S. foreign policy objectives and objectives of the foreign assistance program.

  
Mission Director

9/18/85  
Date

Clearances:

DD:GAHill: GH  
CD:DHimelfarb: GH  
ADR:MSilverman: MS  
PROG:WRhoads: WR  
CONT:RBonnaffon: RB  
SPD:JFWall: JW

Drafted by:RLA:DAAdams

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- F. PID Guidance Cable

Annex II: Technical

- A. Logical Framework
- B. Peru's Drug Related Laws and Organizations
- C. Technical Assistance; Statement of Work

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## ACRONYMS

CORAH	Coca Control and Reduction Program
COSEPUIID	Coordinating Committee on Drug Abuse within the Ministry of Education
DAWN	Drug Abuse Warning Network
DEA	Drug Enforcement Agency of the USG
ENACO	Empresa Nacional de la Coca -- the state owned coca monopoly
ESAN	Escuela de Administración de Negocios para Graduados
GOP	Government of Peru
INADE	National Development Institute
INM	International Narcotics Matters of the USG
MOE	Ministry of Education
MOH	Ministry of Health
NAU	Narcotics Assistance Unit of the USG
PAHO	Pan American Health Organization
PBC	Pasta básica de cocaína or basic cocaine paste
PEAH	Proyecto Especial Alto Huallaga
PIP	Peruvian Investigative Police
PFC	Bureau for Program and Policy Coordination in AID/Washington
PVO	Private Voluntary Organization
UMOPAR	Mobile Rural Policy Detachment under Peru's Guardia Civil
UNFDAC	United Nations Fund for Drug Abuse Control
USIA/USIS	U.S. Information Agency/Service
VEDA	Vigilancia Epidemiológica de Drogas de Abuso
WHO	World Health Organization

I. SUMMARY AND RECOMMENDATIONS

A. Facesheet

B. Recommendation

It is recommended that a grant be approved in the amount of \$4,000,000 to be incrementally funded over five fiscal years.

C. Background and Problem

Peru is one of two leading producers (Bolivia is the other) of coca leaf which ultimately reaches the United States in the form of cocaine. Currently, land under coca cultivation in Peru is estimated to range from 40,000 to more than 135,000 hectares, with each hectare yielding approximately one metric ton of coca leaf annually. While only some 14,000 metric tons per year are used for domestic chewing and legitimate uses, the remainder of the coca leaf is converted to basic cocaine paste (pasta básica de cocaína--PBC), cocaine base, or cocaine hydrochloride and enters the illegal drug market.

Although coca has long been a traditional crop in Peru, illicit coca leaf production is now at least five times greater than legal production. Similarly, Peru has also experienced a dramatic increase in illicit use of coca-based substances. Smoking of PBC has become particularly widespread. Peru's role as a producer country has been an important contributor to the increased domestic use of coca-based drugs. The easy supply and ready availability of coca products--especially PBC--have kept prices low enough that Peruvians in all strata of society have easy access to the market.

Both illegal coca production and illicit use of coca-based drugs are creating serious problems in Peruvian society. Illegal cultivation gives rise to crime, corruption, violence, and violation of territorial boundaries in Peru. Illegal drug consumption is producing increased street crime, losses of worker productivity, and a breakdown in social values. In spite of this, there is little understanding among Peruvian opinion leaders or the public at large of the seriousness of the drug problem. Little connection is being made between Peru's role as a coca producer, increasing domestic drug abuse, and economic/social development issues. This information gap has translated into limited public support for GOP efforts to implement its major programs in coca eradication, drug enforcement, and crop substitution. While the USG is undertaking major efforts to assist the GOP in these latter areas, more attention must be focused on providing the Peruvian public with information and educational materials which will help them to understand the seriousness and immediacy of the drug problem as well as develop the capacity to effectively lobby government and opinion leaders in support of improved commitment to drug enforcement and coca eradication. This Project will create a Peruvian education and advocacy mechanism to increase public awareness of drug issues and encourage greater popular and governmental support for stronger GOP actions to reduce the threat to Peruvian society of illegal production and trafficking of drugs.

D. Rationale/Strategy

The Project strategy is based on the recognition that before a country will take significant actions to deal with its drug problems, there must be a high level of public concern about the issue, good understanding of the problem, and support for efforts to deal with it. At present, the Peruvian public does not have this high level of concern, understanding, and support. Peru still needs to go through a process of increasing awareness, acquiring relevant information, analyzing it, and taking action with this information before it can really deal with the Peruvian drug problem. This Project is designed to help Peru develop a greater level of concern and awareness about drugs as well as initiate efforts to influence Peruvian leadership to more effectively carry out broadly based actions aimed at reducing coca production, trafficking, and use. This process will take place through an innovative approach focusing on building a Peruvian drug education and information center and supporting complementary activities with the Ministries of Education and Health as well as the extensive network of other institutions currently operating in Peru which have an interest in drug-related issues. Given the limited funding and human resources available for such a program, the strategy builds on and utilizes existing Peruvian agencies throughout the country as the most effective means of reaching the largest number of people quickly.

The Project will focus on the private sector because a private entity will have more flexibility, be able to mobilize more human and financial resources, and be able to have greater impact than a public sector institution. Similarly, an important part of this strategy recognizes the need for such a center to work towards attainment of some measure of long-run self-sustainability. While AID experience indicates that financial self-sustainability may be difficult to achieve, considerable efforts will be made from the beginning of Project implementation to encourage support from Peruvian public and private entities as well as from other international donors.

The Project, based on a comprehensive study of Peruvian public opinion of drug related problems, represents the second phase of a three part drug education and public awareness strategy developed by the Country Team that involves: (1) an ongoing USIS immediate-action drug information program which includes press releases, drug information seminars, visitor speaking programs, etc., (2) this Project, consisting of a longer term institution-building effort to create an advocacy and educational mechanism to bring about fundamental attitudinal and commitment changes in Peruvian society about drugs, and (3) the continued efforts of NAU and DEA in supporting drug enforcement and coca eradication activities.

E. Project Description

The goal of this Project is to strengthen Peruvian commitment to drug enforcement and coca eradication programs by changing the public's perception of drugs and drug-related issues. The Project purpose is to increase public awareness of problems in Peru related to the production, trafficking, and abuse of illicit drugs and the social, political, economic,

and health consequences of these activities. This purpose will be achieved through establishing and making operational a private, non-profit drug information and education center, and through providing complementary support to the drug education programs of the Ministries of Education and Health together with the network of private organizations involved in drug education activities. The Center will support, direct and/or manage a program of activities which improves public education programs on drug abuse and drug problems, increases the number of teachers and other leaders trained in drug abuse prevention, institutionalizes a drug surveillance and data collection system involving improved drug abuse reporting techniques, and undertakes research on the prevalence of drug abuse in Peru.

F. Summary Financial Plan

SUMMARY FINANCIAL PLAN  
(US\$000)

<u>Component/Activity</u>	<u>AID</u> <u>Grant</u>	<u>GOP</u>	<u>TOTAL</u>
I. Drug Educ. & Info. Center			
A. Immed. Impact Prog	50		50
B. Info Collection & Research	300		300
C. Training and TA	460		460
D. Communications	850		850
E. Admin. & Operating Exp.	490		490
SubTotal Drug Educ. & Info. Center	2150	0	2150
II. Public Sector Program			
A. Min. of Health	200	67	267
B. Min. of Education	100	33	133
Subtotal Public Sector Program	300	100	400
III. Technical Assistance			
A. Center Core Staff	15		15
B. Incidence & Prevalence	150		150
C. TA Contract			
1. Long-Term	635		635
2. Short-Term	500		500
Subtotal Technical Assistance	1300	0	1300
IV. Evaluations/Audits	180		180
V. Contingencies	446		446
GRAND TOTAL	4376	100	4476

### G. Project Issues

Several issues were raised at the time of the PID review in AID/W. These issues and the Mission's responses follow (the DAEC Guidance Cable is contained in Annex I Exhibit F):

Issue 1. The scope of work for the proposed epidemiological study should, to the extent possible, distinguish between occasional users and addicts, between traffickers and street vendors, and between effects on users and on the broader society.

Response: The Mission concurs with AID/W's suggestion and will assure that the scope of work for the subject study incorporates the above distinctions and concerns. Such a study is considered to be of critical importance to providing an improved understanding of the drug abuse problem in Peru. The stronger informational base resulting from the study will help guide the Center in its development of public education strategies.

Issue 2. The DAEC expressed concern that the center might not be fully self-financing by the end of the Project, and that follow-on AID support might be needed. Every effort should be made to achieve financial self-sufficiency during the planned implementation period.

Response: To assure that the Center establishes an effective system of income generation/fund raising that will work towards achieving a self-financing objective, specific technical assistance in fund raising has been built into the Project design. The contracting of such assistance will occur early in Project implementation to assure that fund raising mechanisms are in place as early as is feasible. The fund raising plan, to be developed with contractor assistance, will contain measures for achieving self-sufficiency targets, including strenuous efforts to enlist financial support from the non-USG international donor community. It is recognized, however, that this is an innovative, experimental program and that full self-financing may be difficult to achieve during the Project implementation period. In this case, limited USG support may be required beyond the LOP.

Issue 3. The DAEC agreed that the grant proposal for the Center would include a social-soundness analysis which would identify, how the Center would attempt to keep unintended negative outcomes from occurring, how it would deal with such outcomes if they did occur, and how the Center would ensure attention to the social impact of the Project by including individuals with medical and social work backgrounds on the Center's Board.

Response: The sensitive and complex nature of the drug problem calls for a social soundness analysis that adequately addresses the concerns raised in the DAEC. Project technical assistance has been incorporated into the Project design which will be used to design and conduct this important analysis. Additionally, the Project envisages that persons with medical and social work backgrounds will be included on the Center's Board.

Issue 4. Regarding Project evaluations, the DAEC pointed out the importance of showing impacts early on to help enlist financial support for

the Center and to demonstrate the potential replicability of the Project in other countries.

Response: In accordance with AID/W guidance, regular Project evaluations will be undertaken. Technical guidance for the planning and implementation of these evaluations will be the responsibility of an interagency team composed of representatives from INM, USIA, and AID. Agreement has been reached with PPC to fund a final evaluation which would explore, among other things, the possibility of replicating the Project in other countries.

Issue 5. The PP economic analysis should elaborate on the nature of the "hidden economic costs" of not undertaking the Project and, as possible, quantify such costs to society.

Response: The PP examines the hidden cost of not doing the Project. Such costs are described in terms of law enforcement, corruption, threats to national security, loss of worker productivity, reduced health, decreased food production, and breakdown of social values. The quantification of these costs is extremely difficult given the lack of data on drug abuse in Peru. However, the epidemiological study and improvements in the system for reporting on drug abuse to be financed with Project funds will help provide the basis for undertaking such an analysis.

Issue 6. The rationale and justification for the proposed sole source TA procurement should be reviewed by the Regional Contracting Officer (RCO) in Lima.

Response: After consultations with the RCO, the Mission decided to competitively procure the required technical assistance services.

#### H. Summary Findings

The Project Development Committee has reviewed all aspects of the proposed Drug Education and Public Awareness Project and concluded that the Project is institutionally, financially, economically, technically, socially, and environmentally sound and consistent with the development objectives of the GOP and with Mission strategy and objectives.

#### I. USAID/Peru Project Development Committee

Loan Officers:	Mark Silverman David Himelfarb
Special Project Officer:	John Wall
Program Officer:	William Rhoads
Economist:	Tonya Creek
Controller:	Robert Bonnaffon
Regional Legal Advisor:	Annette Adams

## II. BACKGROUND

### A. The Drug Problem in Peru

Peru is one of two leading producers (Bolivia is the other) of coca leaf which ultimately reaches the United States in the form of cocaine. Currently, land under coca cultivation in Peru is estimated to range from 40,000 to more than 135,000 hectares, with each hectare yielding approximately one metric ton of coca leaf annually. This coca cultivation exists in two parallel tracks--the legal and the illegal. Legal production, regulated by ENACO, the state-owned coca monopoly, consists of 18,000 hectares cultivated by some 25,000 licensed growers. Estimates of illegal coca leaf production vary widely, but all estimates indicate that illegal production is at least five times greater than legal production.

Although coca has long been a traditional crop in Peru, its importance as a cash crop has increased with both the weakness of the Peruvian economy and, despite reduced prices in 1983 for coca and coca products, the potential for profit in the illegal market. It is estimated that a Peruvian farmer can earn three to six times more per hectare of land by growing legal coca (illegal farmers earn much more) than by growing export crops. Likewise, a day laborer can earn up to five times more per day picking illegal coca leaves than working in legal enterprises. Such dramatic differences in earnings and wages have provided a major impetus for the growth of illegal coca cultivation, as well as for a real shortage of laborers willing to work on land producing legitimate crops in the Upper Huallaga Valley.

The majority of Peru's illegally cultivated coca leaf is only partially refined in Peru. Most is converted to basic cocaine paste (PBC) in domestic, clandestine facilities, then smuggled out of the country, where it is turned into cocaine hydrochloride and then smuggled into the United States or other major purchasing countries. Recently, however, particularly since Colombia has begun to take harsher measures to control its drug trade, there has been a marked increase in Peruvian refining of the PBC into either coca base or cocaine hydrochloride.

Besides the increase in coca cultivation, Peru has also experienced a dramatic increase in illicit use of coca-based substances over the last ten years. Smoking of PBC has become particularly widespread. While limited Peru-specific statistics on drug use and abuse are available, a 1983 U.S. Congressional House Select Committee report estimated that 200,000 young Peruvians were involved in coca paste smoking in 1983. Indeed, in June 1984, the Lima daily El Comercio reported that approximately 40,000 teenage students in metropolitan Lima's public schools use some type of drug. Additionally, a belief that drug use in Peru is on the upswing was reinforced by numerous teachers, doctors, and parents interviewed in the public perception survey carried out during the feasibility study for this Project. Over 90% of the respondents believed that the drug problem had increased in the last two years.

Peru's role as a coca producing country has been an important contributor to the increased domestic use of coca-based drugs. The easy supply and ready availability of PBC have kept prices low enough that

Peruvians in all strata of society have easy access to the market. The fact that PBC is generally only found in producer countries also makes Peru's drug abuse problem different than that of most other nations.

Both illegal coca production and illicit use of coca-based drugs are creating serious problems in Peruvian society. Illegal cultivation gives rise to crime, corruption, violence, and violation of territorial boundaries in Peru. Crime includes illegal production, processing, and trafficking. Drug related corruption, reported among the police and certain government agencies, has led to a major reorganization of the GOP police forces. Violence has manifested itself in threats to campesinos not cooperating with traffickers, in threats and attacks on those cooperating in eradication and agricultural development programs, and in reports of collusion between drug traffickers and political terrorists. Clandestine airstrips have been cut out of the forests, allowing traffickers to quickly enter Peru and extract their illegal export. Recently the GOP announced that, while numerous illegal airstrips have been located and destroyed in the Upper Huallaga area, several foreign airplanes and other airstrips as well as domestic refineries have been found in the jungle. Daily flights from these facilities to other countries are clear violations of Peruvian air space.

Illegal drug consumption is producing increased street crime in the cities, losses of worker productivity, and a general breakdown in social values. Street crime is a manifestation of drug abusers stealing to maintain their habit. Losses of productivity come as a result of absenteeism, increased sick leave, and low functional levels of those frequently abusing drugs. Lack of interest in the world, lack of responsibility, family disintegration, and participation in illegal activities (street crime and drug dealing) are a few examples of the effects of drug abuse on social values.

Given Peru's current economic and political situation, the problems caused by illegal drug production and consumption, as described above, (1) further strain the national budget by causing scarce government resources to be invested in enforcement activities, (2) threaten national security by undermining the legitimacy of the democratically elected government, and (3) pose additional obstacles to the country's overall economic and health development efforts.

The new GOP administration has stated a forceful policy of eliminating narcotics production and trafficking. In his inaugural address, President García proposed that Peru and Colombia strengthen their coordinated actions to improve bilateral police actions in order to totally eradicate drug trafficking. In spite of these strong statements, there is little understanding among many Peruvian opinion leaders or the public at large of the seriousness of the drug problem. Little connection is being made between Peru's role as a coca producer, increasing domestic drug abuse, and economic/social development issues. This information gap has translated into limited public support for GOP efforts to implement its major programs in coca eradication, drug enforcement, and crop substitution. While the USG is undertaking major efforts to assist the GOP in these latter areas, more attention must be focused on providing the Peruvian public with better information and educational materials which will help them to understand the

seriousness and immediacy of the drug problem as well as develop the capacity to effectively lobby government and opinion leaders in support of improved commitment to drug enforcement and coca eradication. This Project will support the creation of a high-powered Peruvian lobby and education mechanism that can increase public awareness of drug issues and encourage greater popular and governmental support for stronger GOP actions to reduce the threat of illegal drugs to Peruvian society.

B. Constraints to Dealing with the Drug Problem in Peru

A number of factors constrain the easy resolution of the drug problem in Peru. Chief among these are the lucrateness of the drug trade, the attitudes of the public about drug issues and their impact on GOP efforts to deal with the problem, the lack of information and research on drug topics, and institutional and managerial limitations.

1. Economic Incentives to Involvement in Drug-Related Activities

The profitability of involvement in drug-related activities makes it extremely difficult to deal with drug problems. This is true at all stages of the coca production and marketing process.

At the production level, coca is an extremely profitable crop. Coca grows easily on very poor soil that is often unsuitable for other crops. It requires little care and can be harvested four times a year. Additionally, many of the coca growing areas are extremely isolated. The lack of suitable infrastructure makes it difficult and costly to harvest, store, and transport perishable food crops to population centers. The farmers are frequently not paid for such crops immediately. In contrast, coca dealers are reported to come directly to the farms, pay immediately, and transport the crop themselves. It is estimated that a Peruvian farmer can earn approximately \$8,300 annually on one hectare of land by growing legal coca (illegal farmers earn more and those who convert it to basic cocaine paste realize even higher profits), as opposed to the \$1,500 to be earned producing a hectare of coffee or the \$4,000 that a hectare of relatively labor-intensive cacao would yield. This apparent lack of economically viable alternatives to growing coca has been a major factor stimulating the rapid growth of coca cultivation in Peru.

A similar phenomenon exists in the labor market. A day laborer might earn up to \$30 a day picking illegal coca leaves, while those working in non-coca producing enterprises can generally earn no more than \$4 a day. This dramatic difference in daily wages has resulted in a severe shortage of laborers willing to work on land producing legitimate food and export crops in the Upper Huallaga Valley.

At the marketing level, a series of middlemen operate between coca producers and the final distribution of coca products. Small operators buy coca leaves from farmers and in turn sell them to large buyers, who convert them to PBC. Small quantities of PBC are bought and grouped and either resold, converted to cocaine hydrochloride, or smuggled out of the country to be refined elsewhere. At each stage of this process, as the risk

increases, the potential for large profits correspondingly increases. In a country with high unemployment rates and low wages, the money to be made in this process is extremely tempting.

## 2. Public Attitudes and their Impact on GOP Efforts

The GOP's strong drug policy, consisting of both international conventions and national laws, sets the tone for strict anti-drug actions. However, the Peruvian public's lack of understanding and knowledge about drug issues and non-recognition of their hidden social, political, and economic costs have, to date, limited the ability of the GOP to take the stronger actions necessary to effectively deal with the country's growing drug problems.

Coca chewing and cultivation have a long tradition in Peru. The coca bush is one of the oldest cultivated plants in South America, with archeological finds dating coca leaf chewing to as early as 3,000 B.C. Coca leaf chewing serves both ritual and medicinal functions. Currently, there are an estimated 3 million people in Peru who chew coca leaf. The practice is most common among the Sierra Indians in southern Peru and among miners and fishermen. The acceptance of coca leaf chewing among these groups as a part of the Peruvian culture, as well as the widespread acceptance of use of coca tea (mate de coca) to cure altitude sickness and other ills, has hindered recognition that use of coca derivatives or other substances can be and is a problem in Peru. Middle class Peruvians and their opinion leaders tend to view drugs as a U.S. problem and continue to believe that efforts to resolve this problem should concentrate on reducing the demand for drugs (in the U.S.) rather than the supply (in Peru). This attitude characterizes not only the Peruvian populace in general, but also some government officials.

The lack of understanding of the seriousness of the drug issue in Peru is further demonstrated by the low priority given to drug abuse and drug trafficking in a listing of national problems. The Development Associates/ ESAN 1984 survey of 1,650 opinion leaders, students, parents, and residents of urban slum neighborhoods placed these two issues last among the eight national problems most frequently mentioned. At a time of severe economic crisis and increasing terrorist activity, the obvious problems of unemployment, inflation, lack of housing, crime, terrorism, etc., are perceived as being of greater importance than the more hidden impact on society of increased drug abuse and drug trafficking.

Reinforcing this attitude is the belief that Peru's role in the coca production, refining and marketing process provides a living for thousands of small farmers and has an overall positive economic impact on the country. While recent arrests of "drug lords" in Lima have begun to bring attention to the corruption and money associated with drugs, there is limited understanding here that production and easy access to drugs is facilitating domestic drug abuse, or that coca production and consumption in Peru also involve costs to society in terms of increased use of scarce government resources for drug enforcement activities and health services for treatment of users, losses of worker productivity, and social and political instability.

The attitudes, beliefs, and misperceptions common throughout Peru, along with the economic drain caused by competitive demands on GOP budgetary resources, have adversely affected the Peruvian government's allocation of resources for anti-narcotics programs. This is evidenced in small budgets, limited personnel and material, and the need for greater support to agencies working in the drug field.

Compounding this is the danger and fear of retribution involved in fighting the drug trade. Traffickers have enormous resources at their disposal and will take extreme measures to protect their interests. Killings, kidnappings, torture, and threats against the populace have proven to be powerful deterrents to taking strong action against those involved in the drug trade. Members of law enforcement agencies and eradication program personnel working in coca producing areas have been attacked and threatened. Farmers suspected of cooperating with or informing the police or eradication teams have been harrassed, threatened and killed. For many farmers in remote, hard-to-control coca zones, there is an immediate and ever present threat from the drug traffickers.

### 3. Lack of Information and Research on Drug Topics

The above-mentioned public attitudes and limits on GOP efforts to deal with Peru's drug problem are a consequence of minimal reliable Peru-specific information on drugs or drug-related problems being available for regular public review as well as a lack of means to effectively generate the information needed to fill this gap.

In the Development Associates/ESAN survey, 95% of those sampled expressed a desire for more information on the prevention of drug abuse. A large number of those surveyed expressed interest in all other aspects of the drug problem. In discussions with those working in the drug field, the most common complaint is lack of accurate and relevant Peru-specific information. What information is available is often outdated or is U.S. information translated into Spanish with limited applicability in the Peruvian context.

Quality applied research needs to be carried out so that information useful for Peruvian drug education and lobbying programs can be produced. Several factors, however, keep this from happening. Funding is rarely available for such activities and data collection is difficult. No systematized collection of drug information presently takes place through the hospitals or the Ministry of Health. Few people are trained to carry out drug-related research and fewer yet are able to convert results into a usable form for public education and lobbying efforts.

Until this information and research constraint is overcome, little progress will be achieved in educating the public about the seriousness of the drug problem in Peru and, thereby, changing public attitudes. Yet, public attitudes must change before the GOP can be expected to take stronger actions to deal more aggressively with Peruvian drug problems.

#### 4. Institutional and Managerial Limitations

Several public and private organizations are working in the drug field, addressing various aspects of the drug problem. A common characteristic of all these groups, however, is that they are weak, fragmented, lack financial and political support, and, additionally, lack the institutional capacity to significantly affect the public's attitudes toward drug problems in Peru.

Small private sector institutions dealing in part with the drug problem tend to concentrate on treatment and rehabilitation, with some minor education services. These groups are mainly very small clinics, often owing their existence to the dedication of one or two people. They rarely have trained personnel or access to accurate information, and they presently reach a limited audience. There is currently no strong national level private drug education and information organization that could serve to educate and influence governmental and private opinion leaders and the general public on the importance of drug problems for Peru.

In the public sector, drug-related departments exist in several of the ministries to deal with education and health issues. These institutions are weak, with underpaid personnel who are not trained specialists in the field. The departments are understaffed, underfunded, wield little power, and do not have the information and data they need to operate effectively. As a result, the major function of these offices tends to be drawing up operational plans which are never implemented.

Compounding the individual weaknesses of public and private sector institutions is the lack of coordination among them. Instead, rivalry exists. Physicians do not want to share treatment procedures for fear of losing patients; officials from one ministry do not coordinate or cooperate with those from another; the public sector will not support private sector initiatives; and the private sector is suspicious of public sector activities.

Combined, these weaknesses constrain the activities and effectiveness of all institutions attempting to have an impact on the drug problem in Peru, leaving the country devoid of groups which could make major inroads into better educating and influencing governmental leaders and the public at large. A strong educational program aimed at making targeted segments of the population understand the need for stronger steps against the drug problem is urgently needed.

#### C. Drug Policies and Programs

##### 1. Government of Peru

The GOP has in place a strong policy framework consisting of international conventions and national laws, supported by GOP and donor assisted programs, to address drug issues. Indeed, to date Peru is the only country in Latin America that has established and made operational coca enforcement, eradication, and agricultural development activities in a major drug producing region like the Upper Huallaga Valley.

The cornerstone of Peru's policy framework is the Single Convention on Narcotic Drugs of 1961, which the GOP ratified in July 1964. In accordance with this convention, the state-owned monopoly ENACO (Empresa Nacional de la Coca) was created to control coca leaf movement from producer to consumer and keep a register of all legal coca production. With the help of the Narcotics Assistance Unit (NAU) of the USG, eradication of illegal coca plants, as required by the Single Convention, is being carried out in the Upper Huallaga Valley. Virtually no effort has been made, however, to abolish coca chewing practices, a third requirement of the Single Convention.

At the national level, Decree Law 22095, enacted in 1978, spells out penalties for violations of drug laws; outlines the enforcement powers of the Peruvian Investigative Police (PIP), the Guardia Civil, and the Guardia Republicana in the sphere of drugs; charges the Ministry of Education with the responsibility for developing educational activities on drug abuse prevention; and makes the Division of Mental Health in the Ministry of Health responsible for developing, implementing, and evaluating drug prevention, education and treatment activities. The Ministry of Agriculture, with NAU support, is implementing a coca eradication program in the Upper Huallaga Valley through CORAH (Coca Control and Reduction Program) and PEAH, a Special Project Office under the National Development Institute (INADE), is implementing an AID-funded area development project in the same valley. Additionally, a multi-sectoral committee has been formed under the Ministry of Interior to supervise and coordinate drug-related activities in member agencies. These drug-related conventions, laws, and organizations are discussed in detail in Annex II Exhibit B.

## 2. Private Programs

Several small, private organizations, clinics, and institutions exist in Peru which work in the drug field and address various aspects of the drug problem. Many of these concentrate on treatment and rehabilitation services, but also provide limited education programs. Such organizations are mainly very small clinics which owe their existence to the dedication of one or two people. They reach a small target group. Examples of these are the Association for the Prevention, Treatment and Rehabilitation of Drug Addiction and the International Institute of Information on Coca and its By-products. Both organizations offer treatment services and have developed, printed, and distributed information booklets.

Other private sector organizations with some drug-related activities include groups organized for different purposes, but which incorporate drug information into their ongoing program. The best example of such a group is the National Boy Scouts Association of Peru. The Scouts' activities are diverse, but many of the individual troops work closely with the PIP in coordinating drug information and education activities for their members. Posters and flyers are developed for individual troop use. Civic groups such as Rotary and Lions Clubs also provide drug information and drug abuse prevention activities to their members.

The Church has been involved to some extent in drug information, education and prevention activities. The Diocese of Callao, in coordination with the Ministry of Education, organized and conducted a series of juvenile group sessions that contained a prevention component. Although discontinued due to lack of funds, the Bishop of Callao continues to be concerned about the problem and speaks out on the issue frequently. Fe y Alegría, a religious association that sponsors and supports schools in marginal neighborhoods throughout the country, has incorporated a ten-hour drug information component into the school curriculum.

### 3. U.S. Drug Policy and Strategy in Peru

The USG short-term drug strategy in Peru is to reduce illicit international traffic in drugs, especially cocaine, originating in Peru. The long-term goal is to reduce the level of coca produced in Peru to the level required for legitimate domestic consumption and export. To this end, the USG is currently supporting a number of GOP drug-related activities. These programs attempt to reduce coca production and trafficking in Peru through support for drug enforcement, coca eradication, and crop substitution activities.

Enforcement and eradication activities focus on improving the institutional, managerial, and operational capacities of GOP entities dealing with drug problems so that they can carry out their responsibilities more effectively. Both the Drug Enforcement Agency (DEA) and the State Department's Narcotics Assistance Unit (NAU) are providing training, commodities, and operational support to the PIP, Guardia Civil, and Customs Authority. Additionally, NAU is actively supporting coca eradication activities in the Upper Huallaga Valley through the Coca Control and Reduction Program (CORAH). In 1984, over 3,000 hectares of coca were eradicated by CORAH and a goal of 6,000 hectares has been established in 1985. NAU support was also instrumental in the establishment of UMOPAR, the Guardia Civil's Mobile Rural Police Detachment which is devoted exclusively to drug enforcement and is headquartered in Tingo María.

USG supported crop substitution and rural development efforts are attempting to provide coca producers with viable legitimate crop alternatives. In 1978, INM, in collaboration with Peru's National Agrarian University of the Jungle (UNAS), began a pilot project to test the feasibility of encouraging farmers to switch from the growing of illicit coca to alternative crops. Currently, AID is supporting crop substitution/rural development efforts through the Upper Huallaga Area Development Project, which is implemented by the Special Project for Upper Huallaga (PEAH). The project supports the expansion and strengthening of agricultural support services, provides agricultural credit and extension services to local farmers adopting new crop varieties, and funds rural infrastructure development and other support activities designed to provide alternative production, income, and employment opportunities in the coca producing Upper Huallaga Valley.

Even with this active program, there is a distinct gap between what the enforcement/eradication networks are capable of doing and what is currently being accomplished. A large part of this gap is due to the

increased terrorist activities and violence in the Upper Huallaga Valley. However, another part of the gap is due to the perception among many Peruvians that "drug problems" primarily reflect difficulties associated with the exportation of cocaine and coca paste. At all levels of Peruvian society there is very little appreciation of the degree of danger to Peru's own social, political, and economic stability which the drug production network and, more specifically, local consumption patterns, imply. Consequently there is a vacuum in significant, popular support for activities designed to reduce Peru's production and marketing of illegal coca. Experience in other drug producing countries has shown that only when its leaders--backed by a sizeable portion of their countrymen--become aware of the negative influence of the "drug culture" on their own society, can significant political and financial support for more aggressive drug enforcement activities be generated.

In order to bring about fundamental changes in Peruvian attitudes towards drugs and to promote domestic support for aggressive and forceful implementation of drug enforcement and coca eradication programs, the Country Team in Peru has designed a comprehensive strategy for a major long-term drug education, information, and lobbying program. This strategy includes three components:

High Impact/Immediate Action Drug Information and Education Programs:

The first element is to quickly expand drug information activities that increase public consciousness of the extent of drug problems in Peru and the extreme societal harm drugs carry with them. USIS/Lima has taken the lead with this part of the strategy. In October 1984, USIS, working closely with public officials and private professionals, sponsored the formation of a select committee of Peruvians to plan the first Peruvian national drug abuse prevention conference. The three-day conference attracted over 300 representatives of civic organizations, the GOP, the medical profession, educators, the news media, parent groups, church and youth groups, and the police and military services. As an adjunct to this first seminar, USIS printed and distributed the first issue of AHORA, a publication on drug addiction, which is now issued bi-monthly.

The committee which sponsored this first conference has formed a Permanent Committee on Drug Abuse Prevention and continues to sponsor drug prevention activities. In March it held a regional planning conference for another large seminar to take place later this year.

Other USIS activities include interfacing with the media to arrange for publication of news releases and relevant articles on drug use, working with Rotary and Lions Clubs to involve them in information and education programs, and coordination with television to develop and air relevant drug prevention spots. USIS has also sponsored drug information speakers and international visitors. Subject to the availability of agency funding, USIA/AID/INM will help USIS expand its drug information activities with specific grants.

Building a Peruvian Drug Education and Information Center,

While the USIS programs described above can have important immediate impacts on Peruvian perceptions of drug problems, long-term attitudinal and commitment changes about the drug problem can only be brought about by the Peruvians themselves organized into an effective public education and lobbying mechanism. Thus, the second element of the USG strategy, which is addressed through this Project, is the organization and development of a high powered and dynamic Peruvian public education and lobbying organization which can: (a) carry out long-range drug education and information programs tailored to the specific needs of Peru and targeted at specific local audiences; (b) mobilize Peruvian public and private leaders and opinion molders to be more concerned about the country's growing drug problems; (c) galvanize Peruvian leaders to take more aggressive action and to pressure for greater GOP efforts to reduce drug abuse, coca production and drug trafficking; and (d) mobilize networks of Peruvian public and private agencies (parent-teacher associations, PVOs, national research institutes, universities, hospitals, the police and armed forces, the church, etc.) that can serve as channels for expanding drug information, education and lobbying campaigns. Since AID has the most experience building public education PVOs in developing countries, AID is the most logical agency to implement this element of the strategy.

Intensifying Drug Enforcement and Coca Eradication Activities,

DEA and NAU will continue to focus primarily on drug enforcement and coca eradication programs while USIS and AID are expanding drug information and education activities that should serve to facilitate more aggressive GOP implementation of those programs. As AID is precluded by law from providing assistance to police forces, INM/NAU will fund assistance to these groups. For example, police officers may participate in seminars carried out by the drug education and information center, but the costs of police participants will be paid for by INM.

The above strategy, developed by the Country Team's Narcotics Coordinating Committee, will help ensure that an expanded and well coordinated drug information and education program is implemented in Peru to strengthen the overall USG drug program. This strategy builds upon the strengths of each of the participating agencies (USIS, AID, NAU, DEA) and provides the Country Team with an important new instrument for further strengthening Peru's commitment to drug enforcement and coca eradication.

D. Project Rationale

The drug issue has become a topic of increasing importance in the United States in recent years. The domestic problem of traffic and abuse of narcotic and psychotropic drugs continues to increase. The estimated retail value of drugs supplied to the illicit U.S. market climbed from \$50 billion in 1978 to \$88 billion in 1982 to \$100 billion in 1983. There are an estimated minimum of some 500,000 active heroin addicts in the U.S., an estimated 8 million cocaine users, some 25 million users of marijuana, and smaller numbers

of users of hashish, amphetamines, hallucinogens, and psychotropic substances (Congressional Select Committee, 1984).

As concern over drug abuse in the U.S. grows, there has been an increasing belief that greater effort needs to be made by drug producing countries to bring illicit production under control. Peru, as one of the two major producers of coca in the world, has been a key target of such interest. Recently legislation has been introduced in the U.S. Congress proposing that foreign assistance to major drug producing countries be linked to their progress in reducing illicit drug production. While Peru is the only Latin American country with a major eradication, enforcement, and crop substitution effort underway, specific legislation has been developed to apply assistance restrictions to Peru.

With such priority being given to narcotics matters, the U.S. Country Team in Peru reviewed its drug program to determine what more could be done to control coca production in Peru. It was determined that, while strong efforts to attack the drug industry through enforcement, eradication, and crop substitution/rural development programs were being made, public education efforts were a weak link in the overall program. USIS and NAU were making some efforts in this direction, but had neither the funds nor personnel to carry out a major, long-term program. In 1984, AID therefore contracted a U.S. consulting firm to conduct the first comprehensive study of Peruvian public opinion on drug-related problems and an indepth feasibility study for a drug education project. The study defined and analyzed public awareness of drug-related issues and proposed education, information, consciousness raising, and lobbying measures for increasing Peru's perception of its growing drug problem. The Project is based on this study. It represents the long-term, institutionalization of drug education, which will complement the high impact, immediate action program being carried out by USIS and the enforcement eradication programs supported by NAU and DEA.

Together it is believed that these actions will awaken the Peruvian public to the problem of drugs in their society, thus eliciting a stronger commitment to drug enforcement and eradication programs. In this manner, the Project will directly respond to USG concerns over reducing coca production in Peru and thus the eventual distribution of cocaine in the United States.

#### E. Project Strategy

The Project strategy is based on the recognition that before a country will take significant actions to deal with its drug problem, there must be high levels of public concern about drug-related issues, a good understanding of the problem, and support for efforts to deal with it. This process has been summarized graphically in Figure 1 on the following page, which illustrates the stages a society must go through to understand and deal with a major problem such as drug abuse and control. Initially, there is a general awareness of the problem throughout the populace. Gradually, more information about the problem is acquired. As individuals and small groups analyze this new information, they begin to take action. Their actions result in a wider understanding of the problem by the general public, leading to

broad-based actions which are supported nationwide. This leaves in place sustained, continuing action, which effectively deals with the problem.

In the case of Peru and its drug problems, there is currently a general awareness of a growing drug use and abuse problem. The problem is seen almost exclusively in terms of demand for drugs. There is little understanding by the general public of the role that a large supply of, and easy access to, illegal drugs has in contributing to the drug abuse problem, and even less understanding of the economic and social consequences of being a producer country. Peru still needs to go through the process of increasing public awareness, acquiring relevant information, analyzing it, and taking action with this information. In this way the role of drug availability (supply) will be fully comprehended and broadly supported actions can be taken to confront both the demand and the supply aspects of the Peruvian drug problem.

The Project is designed to accelerate the above process, i.e., to help Peruvian society to quickly develop a greater awareness about drugs as well as initiate efforts to influence Peruvian leadership to more effectively carry out broadly-based action aimed at reducing coca production, trafficking, and consumption. The accelerated process of education leading to action will take place through an innovative approach focusing on building a Peruvian drug education and information center and strengthening complementary activities in the public sector with the Ministries of Health and Education. This approach will help to institutionalize information and education efforts so that they will continue long after AID involvement ends.

The Project strategy is aimed at educating and influencing both the political leadership and independent opinion leaders at all social levels about the problems that drug consumption, production, and trafficking create for Peru. These leaders will influence and inform the general public, who will, in turn, create pressure for more positive GOP actions to reduce both drug consumption and production. The strategy recognizes that constructive change cannot take place in a vacuum, but rather is the result of a dynamic, interactive process based on appropriate information and dialogue between government and the private sector. The project will strengthen both the public and private sector capacity to effectively seek change while also providing the technical information needed for effective decisions to be made.

Given the limited funding and human resources available for such a program, an intensive group approach that builds on and utilizes existing Peruvian agencies throughout the country is the most effective means of reaching the largest number of people quickly. The Project utilizes not only the existing public sector drug-related programs, but also the extensive network of private sector institutions which currently operate in Peru and have an interest in drug-related issues. Since the capacity does not yet exist in Peru to support an ambitious drug education and information program, the project will focus on supporting the creation of a private institution to perform this function. The education and informational activities will be directed by a Drug Information and Education Center at three target audiences, including: (1) national leaders (political, business, professional, military, police, religious, etc.), (2) the media, and (3) the existing network of PVOs

and community organizations (See Figure 2). Each of these target audiences will inform and influence their peers, members, and associates, work with their constituents, and educate others who will continue to disseminate drug information through informal means. Such a group-intensive approach, which relies heavily on existing community groups and networks, will produce a ripple effect, gradually extending across numerous segments of Peruvian society. The drug message will be continually reinforced from various sources. In the end, both the government and the public at large will be informed and influenced, and, as a result, will support and/or initiate stronger actions against Peru's drug problems.

The three-target audiences will be reached by the Center through: (1) seminars and conferences, (2) informational and educational messages developed with Peru-specific applied research, (3) publications and other large-scale information campaigns, and (4) training and technical assistance provided to local PVOs and community and other Peruvian organizations.

The strategy for working in the public sector has the same basic concept as that in the private sector--targeting opinion leaders who will influence individuals, groups and organizations within their sphere of contact. The focus will be on supporting activities which are necessary for the success of the private sector center. Within the MOH, this means supporting data collection and information gathering on drug use and abuse. Within the MOE, support for teacher training and upgrading the quality of drug education classes in public sector schools are essential.

While the above outlined strategy recognizes the need for drug-related programs in both the public and private sectors, the Project emphasis is on the private sector Drug Education and Information Center. The rationale for this, described more fully in Section V.A., the Technical Analysis, is that a private sector entity has more flexibility and is better able to respond to the specific needs of Peru. It will be better able to mobilize human and financial resources and, in the long run, will be able to have a greater impact on the Peruvian drug problem than a public sector institution.

An important part of the strategy for the private sector drug education and information center includes working towards the attainment of some measure of long-run financial self-sustainability. Such efforts will begin immediately upon the establishment of the Center. The experiences of drug information centers in other countries, as well as USAID experience with family planning PVOs, however, indicate that self-sustainability may be difficult to achieve. Hence, considerable efforts will be made to encourage support from Peruvian public and private entities as well as from other international donors.

One additional aspect of the project strategy is related to the identity of the Center. It is essential that efforts to deal with the drug problem in Peru come from the Peruvians themselves. If the Center and the programs in the Ministries are to be successful, they must be recognized as Peruvian efforts to deal with a domestic problem. Any appearance of this being a U.S.-directed effort responding to U.S. concerns will quickly

jeopardize the program. This gives added meaning to the necessity of enlisting diversified sources of funding for the Center as quickly as possible.

F. USAID Response to Drug-Related Constraints

The Project has been designed to address the four major constraints to resolving the drug problem in Peru as described in Section II.B. The responses follow:

1. Economic Incentives Favoring Production

No single project can address this constraint and expect to meet with success. The constraint is a manifestation of Peru's economic difficulties and underdeveloped status. The entire AID portfolio, by promoting economic development, attempts to correct this problem. Specifically in the drug field, the Upper Huallaga Area Development Project strives to provide viable alternatives to coca production and promote rural development in this major coca producing zone. This Project will reinforce the Upper Huallaga Project by advocating support for activities which will help reduce coca production in Peru. It will also attempt to offset economic incentives to involvement in drug production and trafficking by disseminating information about the negative social and economic effects of the drug trade on Peruvian society as well as about the legal problems in which those involved in drugs can find themselves.

2. Public Attitudes Constraint

The main thrust of the Project addresses this constraint. The Project will attempt to change the Peruvian public's perception of drugs and drug-related issues. The Center, via its education and information activities, will initiate a comprehensive process of educating the public about the current and potential problems drugs pose for Peru. As it continues to reinforce this message, the public will become progressively more aware of the problem, and attitudes towards drug use and coca production will begin to change. It is expected that the Peruvian public will increasingly pressure the GOP to strengthen its actions to deal with the country's drug problems. Drug-related problems will come to be recognized as the national menace they are.

3. Lack of Information and Research

The Project, while not purporting to support major research grants, will support information development and selected applied research. The Project will assist in identifying and prioritizing drug-related topics which need further investigation. Topics identified will be those which will provide information useful for Peruvian drug education and lobbying programs.

Information development will concentrate on generating accurate and relevant Peru-specific materials that can be used for educational purposes. Applied research data will be converted into information packages; medical studies will be presented in a form that the layman can understand;

the social and economic impact of drug-related problems will be explained verbally and graphically so as to be easily comprehended by all.

The Project will strive to institutionalize the collection and development of drug information and materials, for use not only within the Project, but also for distribution among both GOP and private sector entities with an interest in drug-related topics. In this manner, the information gap will be effectively closed and materials will be available with which to address the public attitudes constraint.

#### 4. Institutional and Managerial Limitations

This project will address institutional and managerial limitations in both the public and private sectors. In the private sector, the Project will assist in creating a center which will organize and coordinate the activities and information of the myriad of small private sector institutions dealing with drug-related problems. The Center will provide small institutions and PVOs with data, technical assistance, information packages, resource materials, and other needs. It will help them to coordinate their activities, expand their constituencies, and more effectively reach their target populations.

In the public sector, the Project will work with the MOE and MOH, the two GOP entities most involved in drug-related issues, to specifically improve their institutional capabilities to address drug-related problems. The program of each Ministry will be carefully examined and plans made to assist each agency to strengthen those areas in which it is weak. Additionally, as a result of the Project's lobbying efforts, the GOP will become more willing to seek external support as well as provide funding and staff to support more efficient operations of on-going and new drug-related programs.

While the Project addresses all four major identified constraints as discussed above, the primary emphasis is on alleviating the public attitudes constraint. This constraint has not only been recognized as being a key bottleneck to resolution of Peru's drug problem, but it is also amenable to resolution with a well-designed project. Given the interrelationships among the constraints, addressing the lack of information and research and the institutional and managerial weaknesses will complement and reinforce any attempts to resolve the public attitudes constraint. Together, these will contribute to overcoming the fourth constraint--that of economic incentives.

#### G. Relationship to USAID Development Assistance Strategy

##### 1. Relationship to Program Strategy

The USAID/Peru FY 1987 Action Plan, presented in Washington in May 1985, lays out the Mission's strategy and implementation plan for the 1985-90 period. Narcotics is an important topic addressed in our policy agenda plans. It directly affects U.S.-Peruvian relations and, as such, is a critical foreign policy issue. USG/GOP joint efforts in this field to date

have concentrated on control, eradication, and area development activities. The Mission's strategy is to provide assistance to activities which complement enforcement and eradication efforts. Both the Upper Huallaga Area Development Project and the Drug Education and Public Awareness Project are consistent with this strategy. This Project, through its educational and informational programs, will stimulate broader support for enforcement and eradication activities and strengthen GOP institutions in the education and health fields. The Project will also supply information on such activities, helping the populace to understand why the GOP is undertaking these efforts.

The Project also conforms to the Mission's PVO strategy, as stated in the Action Plan. The USAID has a long history of supporting PVOs in many different sectors. This Project will further expand the range of support. Additionally, the Mission has worked consistently to foster the growth of indigenous PVOs. The Project will not only create a new Peruvian PVO, but through the new PVO, will also seek to strengthen numerous existing small, indigenous PVOs with programs in mental health, youth development, and community relations which will provide an outreach capability for the Center. The Project also conforms to the Mission's strategy of including PVOs as an integral part of our policy dialogue. As mentioned above, narcotics is one of the topics included in our policy agenda. Working with the drug-related PVOs will help to enhance their potential for playing a role in the formation of, and emphasis given to, relevant GOP drug policies.

Finally, given limited GOP resources and administrative capabilities, the Project supports AID's overall emphasis in promoting private sector delivery of programs wherever possible. In this Project, the private sector will play the principal role in helping to address a serious national problem which touches directly on U.S.-GOP bilateral relations.

## 2. Relationship to Other AID Projects

Since 1981, AID has been implementing an area development project in the Upper Huallaga Valley, one of the major coca producing areas in Peru. This five-year project includes an agricultural research program, extension and credit services, expansion and upgrading of the capacity of the National Agrarian University of the Jungle to train agricultural scientists, development and interpretation of resource information, improved road maintenance, and the provision of potable water and sanitation systems to selected rural communities in the area.

AID's experience with the Upper Huallaga Area Development Project has demonstrated that education and information programs are necessary to complement rural development efforts in coca producing zones. The Project will support the Upper Huallaga Project in a variety of ways. First, the Center will focus on enlisting public and GOP support for projects such those which AID, INM, and UNFDAC are implementing in the Upper Huallaga Valley. Such support is necessary to counteract a serious misunderstanding by the general population about the goal of the Project and the role of PEAH in the area. Additionally, through its training and technical assistance programs and resource materials, the Project will provide assistance to those working

in the Upper Huallaga to help resolve specific educational and informational problems.

### 3. Relationship to Other Donor Activities

UNFDAC and PAHO/WHO are the only major donors outside of the USG bilateral programs assisting the GOP to deal with drug-related programs.

UNFDAC is providing funding to the Naranjillo Cacao Processing Plant in Tingo María. Completion and operation of the plant is expected to stimulate cacao production in the region, providing an alternative to coca cultivation. UNFDAC is also considering possible future funding of coca crop substitution activities.

Other UNFDAC projects are carried out through PAHO, which acts as the implementing agency for UNFDAC. UNFDAC/PAHO have had agreements with the GOP to work in the drug field since December 1975. The fifth agreement (\$210,000), for the sixteen-month period of September 1, 1984 to December 31, 1985, is now in effect. The general objective of all these agreements has been to assist the GCP to implement the General Law of Drugs (DJ. 22095) of February 1978. Specifically, activities have been divided among (a) preventive education, (b) health, and (c) coordination. Preventative education activities have focused on providing support to the MOE for training, for its Drug Abuse Prevention Pilot Centers, for developing educational materials, and for acquisition of audio-visual equipment. Health sector activities have received the most attention. Previous UNFDAC/PAHO agreements with the GOP established the VEDA (Vigilancia Epidemiológica de Drogas de Abuso) system in the MOH and provided a microcomputer for data storage and manipulation. The present agreement will support the development and expansion of the VEDA system and data collection, as well as provide training in the drug/health field, and supply audio-visual and other equipment to groups working principally in drug rehabilitation. Finally, the coordination component of the current agreement supports the Executive Office for Control of Drugs (OFECOD) in the Ministry of the Interior, which is responsible for coordinating the activities of all public sector groups working in the drug field. The agreement principally funds office equipment and attendance at international conferences.

PAHO is also considering Peru as one of the six Latin American countries in which it might fund an epidemiological study. Possibilities for coordinating this and other PAHO/UNFDAC activities will be investigated during Phase I of the Project.

## III. DETAILED PROJECT DESCRIPTION

### A. Project Goal and Purpose

The Drug Education and Public Awareness Project represents an additional USG response in helping the GOP strengthen its commitment to reduce coca production and, thereby, eventually achieve a reduction in the distribution of its derivative, cocaine, in the U.S.

The goal of the Project is to strengthen the Peruvian commitment to drug enforcement and coca eradication programs by changing the public's perception of drugs and drug-related issues. The purpose of the Project is to increase public awareness of problems in Peru related to the production, trafficking, and abuse of illicit drugs and the social, political, economic, and health consequences of these activities. The Project purpose will be achieved through:

- Creating and operating a private, independent institution which will manage a comprehensive, nationwide campaign in drug education and information aimed at the Peruvian public, and

- Strengthening the principal GOP programs, in the Ministries of Health and Education, which provide drug education and drug abuse prevention services to the Peruvian public.

#### B. End-of-Project Status (EOPS)

The Project will produce a number of results which, in combination, will indicate achievement of the Project purpose. These results will be:

1. An established, operational private drug information and education center carrying out a national drug awareness and information program which has the capacity to generate a large proportion of its income from non-AID sources,

2. Improved public sector educational programs in drug abuse and drug problems in the Ministry of Education, including the design and implementation of a national program for training teachers and other youth workers in drug abuse awareness and prevention,

3. The institutionalization of an improved drug surveillance and data collection system in the Ministry of Health, including the standardization of drug abuse terminology and reporting techniques,

4. The design, implementation, and analysis of a drug incidence and prevalence study,

5. Recommendations provided by a comprehensive analysis of the Project for further AID programming of a similar nature in other drug producing and consuming countries.

#### C. Project Components

The Project proposes to meet its objectives through two interrelated components. The primary implementation focus of the Project will be directed to the creation and operation of a Drug Education and Information Center which will be organized by a group of private Peruvian citizens and institutions. The secondary focus will be on strengthening public sector programs which will complement the work of the Center. A number of alternative mechanisms for implementing this important education and information function were investigated during project design, including the

expansion of existing PVO institutions and/or the utilization of existing GOP administrative and operational structures. The results of this analysis clearly indicated that a two-track concept involving the creation of a new, independent, private institution together with the strengthening of programs most appropriately undertaken by government entities would provide the most cost effective and manageable approach.

1. Drug Education and Information Center

The formation and operation of a Drug Education and Information Center (the Center) will be carried out in two consecutive phases.

a. Phase I (Center Formation)

Phase I involves the identification and recruitment of a core group of Peruvian sponsors who will then organize and legally establish the Center. Analysis has demonstrated that the Peruvian public recognizes the existence of a national drug problem and desires more information about drugs. At the same time, the public does not yet understand the crucial relationship between production of coca and the degree of drug abuse in Peruvian society. Efforts are already underway to address this informational gap. A number of private and public organizations are conducting limited drug-related educational and informational activities. However, a central focus is lacking to bring these efforts to successful fruition. The Center, with the assistance of a team of long-term drug education and information specialists, supplemented by highly qualified short-term technicians, will form the link between the as yet limited, but growing national concern about drug trafficking and abuse in Peru and the concerned groups and individuals already struggling to attack the problem.

(1) Recruitment of Sponsors and Board

As a first step, action will be taken to identify and organize a small group of prominent individuals representing diverse segments of Peruvian society. The group will consist of representatives from leading local universities, PVOs active in youth work and mental and public health, industry, the mass media, labor organizations, the Church, and the Permanent Committee on Drug Abuse Prevention. The Center concept will be presented, discussed, and refined during the initial organizational meetings of the group. In addition, these meetings will seek a consensus on a process for choosing a Center Board of Directors. The Board selection process will strive to attain fair representation of all segments of Peruvian society, participation of respected health and other leaders of the community, and, equally important, a balanced spectrum of political opinion. Once the Board of Directors has been formally constituted, working committees will be formed to facilitate the organizational development of the Center as well as to design future activities.

(2) Drug Problem Definition

A top priority of the Center Board of Directors will be to see that a nationwide epidemiological study regarding the extent and

nature of the drug trafficking and abuse problem in Peru is carried out. The information obtained from this study will be essential in programming Center resources to maximize the impact of educational and informational efforts. The Center will use technical assistance team resources to plan and carry out the study. The study will obtain the following illustrative list of information:

- (a) number of users, classified by relevant demographic segments, such as age, sex, socio-economic condition, and rural/urban habitat and by degree of dependence,
- (b) substances, quantities, and frequency consumed,
- (c) logistics and distribution structure of the wholesale and retail drug markets,
- (d) cost structure of the drug market,
- (e) effects of the drug problem on users, producers, the general public, and Peruvian society.

PAHO currently is developing the scope of a series of epidemiological studies which will be carried out in six Latin American nations. The Project will coordinate closely with this effort to assure the complementarity of information obtained. Upon completion of the study, the Center will have available the information necessary to plan operational objectives and to design activities required to meet them.

### (3) Establishment of the Center

A number of other important activities will be carried out by the Board of Directors simultaneously with the epidemiological study. While the Board members will be knowledgeable and influential individuals, it is not expected that they will bring an extensive knowledge of the drug use and abuse problem to their positions. Therefore, a program of training will be designed and implemented to give the Board a solid grounding in the field. A program of orientation, with a focus on Peru-specific prevention/education/information issues, will be carried out, based on a careful assessment of the level of knowledge and experience of the Board members. The training will be developed to elicit consensus and support from the Board members on the purpose of educational and informational messages to the public; the objective being to provide factual information and encourage reasonable decision making and problem solving responses.

Secondly, the Board members will begin immediately to develop job descriptions and recruit a core staff for the Center, including the prospective Executive Director of the institution. The first order of business for the core staff will be to develop operating procedures for the Center. This will include accounting, personnel, and procurement systems, which are required for the Center to be eligible for AID grant funding. Concurrently, the Center will be registered as a legal entity under Peruvian law.

Thirdly, and perhaps most importantly, the full operation of the Center will require financial and other resources during its initial years of operation. Planning will begin immediately for development and submission of a grant funding request to AID to support the Center program during its initial four years of operation. The funds provided by AID will be used to finance administrative and operating expenses, salaries and benefits, office rental and utilities, technical assistance and training, equipment and supplies, and programmatic costs for the activities described below.

The specific support grant proposal will contain a description and analysis of the Center's goals and proposed program, including: (1) rationale for the proposed activities, (2) major assumptions, (3) description of expected accomplishments, (4) resources required, (5) description of the activities to be carried out to meet objectives, (6) time frame for implementation, (7) targets against which to measure progress, (8) description of the beneficiaries, and (9) evaluation plan. In addition, the proposal will address in detail important issues regarding the viability of the Center and its programmatic priorities including: estimated annual expenses and potential non-USG sources of international funds following the completion of the Project, what the Center would have to do to obtain such funds and a timetable for those actions; a complete social soundness analysis which analyzes program outcomes for relative costs and benefits, such as an unintended increase in demand for curative services resulting from the increased publicity on drug abuse provided by the Center, and a schedule and brief summaries of the scopes of work for the important evaluations to be carried out during the Project. The Center staff, together with the technical assistance team, will draft the grant funding proposal in accordance with Handbook 13 for AID review.

(4) Coordination with Immediate Impact Programs

USIS is implementing an immediate action drug information program that includes press releases, drug information seminars and conferences, and the sponsorship of the Permanent Committee on the Prevention of Drug Abuse. This effort has generated increased interest in Peru about drug-related issues. The Project will take advantage of these efforts by working with USIS and the Permanent Committee to finance small grants for high-impact, immediate action programs which will be reviewed and approved by the Center Board. Up to \$20,000 annually of PD&S Education funds will be reserved to provide support for complementary USIS-sponsored drug education and information activities.

b. Phase II (Center Operation)

Following the establishment of the Center as a legally registered, private, non-profit institution in Peru and the signing of an AID specific support grant to finance its drug education and information activities, the Board and core staff will initiate the process of obtaining and expanding personnel and physical resources, including office space and equipment. The Center will move immediately to announce its existence through letters and a descriptive flyer which will be supplied to organizations and

individuals identified as important for carrying out the educational and informational program. At the same time, the Center staff will identify a pool of professional experts who can be used as consultants; identify, select, and subscribe to professional journals and other relevant publications for its library; initiate a search for, collect, and review all secondary studies and research materials; and continue the program of identification and support for target of opportunity programs in drug education and information. Most importantly, the staff will identify individuals, groups, and associations working toward or interested in the objectives of the Center and develop a file on each. These activities will be carried on while the Board and Executive Director begin the process of long-term program planning.

(1) Program Planning

A top priority for the Center management will be to establish a comprehensive plan for the phased growth and development of a drug education and information campaign. Planning will concentrate on minimizing costs by limiting, both personnel and physical resource requirements, while maximizing the use of complementary resources made available to the Center by individuals and institutions sympathetic to its drug education and information objectives. Center management will use the concepts developed and refined during Phase I and presented in the AID grant funding proposal, together with the information obtained in the epidemiological study, to set objectives and program a comprehensive set of activities for a first year annual plan. The ultimate objective of the planning exercise is to institutionalize the Center as a viable and responsive entity, able to progressively expand and improve a program of drug education and information activities which addresses the needs of Peruvian society.

(2) Center Activities

The 1984 Narcotics Awareness Study shows that the Peruvian public is becoming increasingly more aware of the national drug problem, but that knowledge and information about its extent and scope and, equally important, understanding of the link between domestic production and abuse, are lacking. As a reflection of this concern, many private individuals and institutions, as well as the government, are developing and carrying out programs to address the problem. However, they lack up-to-date factual information, financial, administrative, and operational resources, and a mechanism for coordinating efforts and information exchange. The Center will provide the means for filling these gaps, creating linkages and developing new initiatives in information collection and analysis, communications, training, and technical assistance.

(a) Information Collection and Applied Research

During the initial years of operation of the Center, the establishment of an information collection and analysis capability is critical. This activity will organize and classify existing secondary sources of information for access by interested groups and individuals as well as finance original applied research in appropriate areas. The Center will collect drug-related research studies and surveys already carried out in Peru

by universities, government institutions and private individuals. The information obtained will be catalogued and stored for later review and analysis. In addition, the Center will establish contacts with organizations outside of Peru which are interested in drug problems and request technical information and reports from them on past experiences which may be useful for formulating and implementing the Center program. Such information will be carefully scrutinized to assure that the lessons learned are suitable to the Peruvian environment. Where informational gaps cannot be filled in this way, the Center will finance, through grants or contracts, appropriate applied research studies. Wherever possible, such studies will be co-sponsored to minimize costs to the Center. All research activities will be selected on the basis of practicality--they should stimulate complementary research activities in other organizations and they should produce results that can be incorporated into the Center's action program. The results of such studies will be reviewed and disseminated according to Center policy.

(b) Communications

Effective communication is the key to achieving the objectives of the Center. Two important considerations which will be incorporated into the operations of the Center are the need to affect and unite different levels of Peruvian society against the dangers of drug trafficking and abuse and the necessity of selecting the most appropriate and effective means for reaching the various target audiences.

While the dimensions of the drug problem in Peru are not yet clearly defined, the fact that it affects all levels of Peruvian society is a generally accepted principle. This means that to effectively attack the problem, the Center must address its educational and informational campaign to the general population with carefully crafted and socio-culturally sensitive messages aimed specifically at each social level. The diverse backgrounds of the Center Board of Directors will help ensure that the messages are designed accordingly. In addition, the network of mutually reinforcing relationships that the Center will establish with other public and private institutions will act as a further check for message content as well as provide appropriate institutional channels for reaching diverse target audiences and varied constituencies.

The Center will use a wide variety of vehicles for communicating the drug education and information messages to the target audiences. Communication will involve the use of four principal mediums: mass media, such as newspapers, radio, and TV; seminars and conferences for selected groups of decision makers and opinion leaders; publications, and existing institutions with extensive community outreach programs. The use of mass media will be directed toward generalized, consciousness-raising goals which will spur target audiences to accept and participate in specific, community-oriented actions directed at resolving the drug problem. The seminars and conferences, supplemented by the publication of all studies and survey results, will address more technical topics, such as the linkage between the availability of drugs, particularly coca-based ones, and drug use or the societal costs associated with drug production, trafficking and use. Once again, the purpose is to affect attitudes--to promote positive responses and actions by the target groups in developing and supporting legislation and

programs to control the production, trafficking, and consumption of drugs. The Center will also support a network of organizations which express an interest in its program and wish to participate in drug education and information campaigns. Uniting the various public sector agencies, private clinics, individual medical personnel, and civic and youth associations which have already developed or wish to incorporate drug abuse prevention activities into their programs will be an important vehicle for achieving the Center's objectives. Combining and guiding the energies of all these activities and organizations toward the specific goal of reduction and eventual elimination of drug trafficking and abuse will maximize limited resources and provide for a well-coordinated approach to Peru's drug problem.

(c) Training and Technical Assistance

The Center will provide training to both its management and staff and to other interested organizations. Training specifically for the Center will focus on improving the knowledge and skills which the Center management and staff bring to their positions and, subsequently, on periodically updating their knowledge of drug-related topics. While a combination of training methodologies will be used, observational trips to ongoing programs in Mexico (Centros de Integración Juvenil), Colombia (Campaña Nacional Contra la Drogadicción), and Bolivia (Campaña Educativa Sobre Estupefacientes) will be an important element. These observational trips will be supplemented by periodic seminars and on-the-job training in drug education campaigns and abuse prevention methodologies as well as by training in both general PVO management and specific management topics. Additionally, the Center will provide training and technical assistance in drug-related education and prevention program development and implementation on request to community and civic groups and institutions. These activities will concentrate on two distinct but interrelated objectives. (1) improving the management and operation of the cooperating institutions to ensure effective, collaborative efforts with the Center, and (2) providing technical knowledge and information of use to the institutions in communicating drug-related messages to their constituencies and/or members. The Center will make use of its staff, the technical assistance team, and the pool of consultant volunteers to provide the requested services. In certain carefully selected cases, the training may be supplemented by third country travel. A result of the training and technical assistance activities will be to establish a self-reinforcing capability within and among the network of organizations and institutions to improve their management and operational capabilities and to provide a channel of communication for exchanging lessons learned.

(3) Center Management and Administration

(a) Human and Physical Resources

The Center will require the services of a Board of Directors, an Executive Director, and a small professional and clerical staff. The knowledge and skills of the Board and staff will be supplemented as needed from a pool of qualified Peruvian specialists in areas such as drug abuse prevention, treatment, research, fund raising, publications, etc. The

Center headquarters will be located in Lima. Although its program will be nationwide, branch offices will not be required. Programs directed outside Lima will be managed using the resources of institutions with outreach capacity in the target area. No specialized equipment will be required by the Center. The Project will finance administrative and operating costs of the Center, such as staff salaries and training, consultant fees, and acquisition of office equipment and supplies (including copying machine and minimum computer capabilities); programmatic costs such as research and study costs, publications, mass media campaigns and seminars, and support for cooperating organizations and institutions.

(b) Financial Resources

While the Center will be supported initially by AID Project funds, the Board and executive director will develop and carry out a plan to attain some measure of financial self-sufficiency for the Center by the end of the Project which will ensure the long-term stability and growth of the organization and its operational independence. The experience of PVOs in other fields demonstrates that total self-financing is difficult to achieve, particularly under present Peruvian economic conditions. However, striving for self-sufficiency will produce a sense of ownership, of control, and of having a stake in the program which, if engendered in the Center participants from the outset, will lead to a firmer commitment to the Center and its goals. A variety of techniques used by other institutions to both produce revenue and decrease operating costs include:

- charging fees for goods and services,
- expanding services on a fee basis into related areas, such as research performed for pharmaceutical companies,
- traditional fundraising techniques, such as solicitation of donations, public campaigns, etc.,
- charging fees for unrelated services, such as renting audio-visual materials, fees for computer use, etc.,
- use of a volunteer core,
- requesting in-kind contributions from interested parties (eg. television time and newspaper space for information messages), and
- solicitation from external donors (both international and domestic) supportive of the organization's goals and programs.

All of these options will be explored, a fundraising plan and schedule made, and goals set during each year of the Project to improve the capability of the Center to finance its programs. Every effort will be made to mobilize local and international financial support from sources other than A.I.D.

(c) Evaluation of Center Program

The Center will provide for ongoing evaluations of its activities and establish criteria and targets for determining whether or not it is achieving its objectives. The criteria will include a measureable increase in the public's awareness of the drug problem, the

effectiveness of specific information and education campaigns, the relative success of various prevention alternatives, the effectiveness of conferences, seminars, and workshops, and the acceptability and use of materials developed and distributed. Indicators used in the evaluation process may include numbers of publications developed and distributed, numbers of requests for publications and information, attendance at workshops and conferences, participation in local prevention programs, and willingness to pay fees. The program evaluations will be supplemented by periodic financial audits which will examine accounting and finance procedures of the Center, with particular attention to cost accounting, budgeting, and financial controls. The Center will include the development and implementation of an extensive evaluation/audit program as one of its early priorities. A final, comprehensive review and evaluation will be carried out at the end of the Project to examine the accomplishments achieved during implementation, and to determine the applicability of the Project design for other drug producing countries in Latin America. The final evaluation will be funded by AID/W PPC.

## 2. Public Sector Activities

While the primary focus of the Project is on the establishment and operation of a private Drug Education and Information Center to play the lead role in achieving the Project goal and purpose, the public sector will provide important support to the overall effort. This component of the Project will fund small, targeted programs within the Ministry of Health and the Ministry of Education which will complement the institution-building objectives related to the creation and operation of the Center. Certain drug-related activities can be carried out more effectively by public sector institutions because of their access to large numbers of qualified personnel and the nationwide coverage of their ongoing programs. The formal design of Project intervention in the public sector will be carried out during Phase I of Project implementation.

### a. Ministry of Health (MOH)

The MOH is responsible for the development of the following: research programs, epidemiological, medical, and scientific studies, data collection and dissemination, and technical assistance on drug abuse. However, only limited action is being taken by the MOH to act on these responsibilities. Experience with the implementation of population programs in Peru has provided a useful lesson on the potential contribution of a well planned MOH information collection and dissemination program. Just as is now the case with the drug problem, Peruvians were talking about the population problem for years without taking effective, concrete actions to resolve the situation. The collection and dissemination of hard data on the impact of a high population growth rate on Peruvian society helped to break this logjam. The same educational process can be used to heighten the Peruvian public's awareness of and concern about the domestic drug problem. The collection and dissemination of hard data from publically known and respected sources showing the negative consequences of a continued slide into increased drug trafficking and abuse is a necessary precondition to effective remedial action. The MOH can be instrumental in this effort, as it is now in the population program.

The Project will assist the MOH to strengthen its ability to play an active role.

While a formal program for MOH participation in the Project will be worked out during Phase I, in consultation with the MOH and other external donors currently assisting the MOH (UNFDAC, PAHO/WHO), it is expected that participation will consist of the following. First, the MOH will be invited to participate in the initial epidemiological study, which will be conducted as a test for design and installation of an ongoing, periodic study. Under the Project, the Center staff and the technical assistance team will assist the MOH to institutionalize a system for conducting such studies on a regular basis as one of its responsibilities. The successful completion of epidemiological studies on a periodic basis will assure that data is available for programming activities aimed at reducing and eventually eliminating the drug problem in a cost effective and appropriate manner. Secondly, information from the periodic studies needs to be supplemented by an ongoing surveillance system, such as the Drug Abuse Warning Network (DAWN) in the United States. Such a system will be designed and installed in the MOH and participating health care facilities with Project funded resources. Thirdly, in order to ensure that the information obtained in these and other studies is useful to all interested organizations and individuals, the Project will support MOH efforts to standardize drug abuse terminology and techniques used in hospitals and by physicians. Finally, in collaboration with the Center, the Project will take advantage of the qualified staff and nationwide health care system managed by the MOH to strengthen its capacity to review, analyze, and disseminate drug-related research reports and conduct mass media campaigns in drug abuse education and prevention. Any attempt by the Center alone to carry out these activities would prove costly and probably ineffective.

b. Ministry of Education (MOE)

The MOE is responsible for the development and implementation of drug abuse prevention actions. These include information and orientation activities targeted at teachers and ultimately to youth and their families. To carry out these and other education-related activities on drug abuse prevention, the MOE created a coordinating committee on drug prevention (COSEPUID) in 1979. COSEPUID developed a National Drug Abuse Prevention Plan in 1982 to promote and increase awareness among teachers, parents, and community leaders about the drug problem and to train teachers on providing value clarification for youth (for more detail, see Annex II, Exhibit B).

To date, little concrete action has been taken by the MOE to fully implement a program which adequately addresses drug concerns due to a lack of resources and a lack of commitment by individuals involved in the Plan.

The Project will work with the MOE, using Center professional staff and technical assistance resources, to design and carry out a comprehensive drug abuse prevention program. The objective will be to strengthen and improve the institutional capability of COSEPUID to implement selected activities in the National Plan, including its ability to:

- develop drug abuse prevention curricula for elementary and secondary school teachers,
- develop and conduct a program of training of trainers for selected MOE participants,
- identify and assist existing local committees comprised of educators, parents, and community leaders, in those regions with a high prevalence of drug abuse,
- form and train additional local committees, beginning with those areas with the highest incidence and prevalence rates, to address and reduce drug abuse problems,
- strengthen the operations and impact of the six pilot drug abuse research centers already in existence,
- develop and distribute drug abuse prevention materials aimed at school age youth and their families.

D. Technical Assistance

A team of drug education and information specialists will play the lead role in initiating Center design and operation and providing management and technical guidance to the participating agencies. A private contractor will supply the services of a technical assistance team with experience in designing and implementing drug education and prevention programs and organizing private agencies to carry out such programs. The work of the technical assistance team will be divided into two phases which roughly correspond to the two stages of Center design and operation.

Phase I will consist of the following activities:

1. Assistance in the identification and organization of sponsors for a private, non-profit institution,
2. Design and implementation of an epidemiological study on the incidence and prevalence of drug trafficking and abuse in Peru,
3. Design of a program for assistance to the Ministries of Health and Education,
4. Assistance in the development and preparation of a specific support grant proposal for AID.

During Phase I, the technical assistance team will contract the services of three Peruvian nationals to assist it and the Center Board in preparing the operating procedures required by AID prior to approval of a grant proposal. It is anticipated that the individuals contracted will become the Executive Director, Administration Officer, and Executive Secretary of the Center.

Phase II will consist of the following activities:

1. Assistance to the Center to initiate and institutionalize its drug education and information program, and

2. Assistance to the Ministries of Health and Education to carry out the programs designed in Phase I.

The technical assistance team will consist of a long-term specialist in program management and implementation as Chief-of-Party (COP) and a Peruvian assistant for a total of 72 person/months. The COP will play an important design and project monitoring role for AID. He/she will also serve as a counterpart to the Center Executive Director and as the coordinator of the public sector activities.

The work of the long-term team will be supplemented by an estimated 42 person/months of short-term technical specialists as described in Annex II, Exhibit C, Technical Assistance: Statement of Work.

#### IV. COST ESTIMATES AND FINANCIAL PLAN

##### A. Project Financial Plan

The total cost of the Drug Education and Public Awareness Project over the five year LOP is estimated to be \$4.476 million, of which AID will contribute grant funds amounting to \$4.376 million (\$4 million Project, 375,900 PD&S). The GOP will finance 25 percent of the total cost of the Public Sector Component, or \$100,000, with cash and/or in-kind contributions. Tables IV-1 through IV-3 present the Summary Financial Plan (IV-1), Requirements for Foreign Exchange and Local Currency (IV-2), Projected Disbursements by Year (IV-3), and Sources and Uses of Funds (IV-4).

Project funds will be obligated through three distinct mechanisms:

1. A Technical Assistance Contract with a private firm. Project implementation will commence with the signing of a contract for technical assistance to be provided to the participating agencies. It is expected that the contract will be negotiated and signed prior to the end of FY 85. The contract will provide services for a period of three years.

2. Grant Funded Project Agreement with the Drug Education and Information Center. During the first year of the Project, implementation will focus on the design of the Center. The technical assistance team will assist interested Peruvians who wish to participate in the Center management as members or Board of Directors to prepare and submit a proposal for grant funding of the institution by AID. By the time of submission of the proposal, the Center will be a legally registered, private, non-profit Peruvian institution which has developed the structure and procedures required to qualify for an AID grant according to the requirements established in AID Handbook 13. The amount of the grant is expected to be approximately \$2,150,000.

3. A Grant Funded Project Agreement with the GOP. A separate bilateral grant agreement will be signed to support drug education and information programs in the public sector. During Phase I of the Project, the technical assistance team will investigate the ongoing programs in the Ministries of Health and Education which will complement the program of the

Center. A project agreement will be signed with the GOP early in the second full year of the Project to provide grant funded resources to improve and expand these programs. The total amount of the grant is expected to be approximately \$300,000, with an additional \$100,000 to be made available as the GOP counterpart contribution.

The grant funds obligated in these three separate agreements will provide the resources necessary to carry out Project implementation. Approximately 35 percent of the total Project budget will constitute foreign exchange requirements, primarily for the technical assistance contract. The GOP contribution will be in local currency or contributions in-kind, primarily for operational support, salaries and operating expenses of the agencies carrying out the Project-supported public sector programs.

The institutionalization of an effective fund raising/revenue generation program by the Center is a primary objective of the Project. Efforts will be under way from the onset of the Project to generate revenues, but the amount obtained will be placed in a reserve fund for use following termination of the Project. Therefore the Project budget does not reflect Center revenues being used to defray operating expenses through the LOP. Negotiations with other international donors will attempt to ensure that the bulk of their funding begins in late 1990. The objective of the fund raising/revenue generation effort will be to obtain a pool of \$450,000, as follows:

<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>Total</u>
\$ 25,000	50,000	125,000	250,000	\$450,000

While the above target now appears realistic, it must be realized that this is an experimental program and that it may be necessary to continue limited USG support to the Center beyond 1990. A principal objective of the second interim evaluation scheduled for late 1988 will be to analyze the financial status of the Center and the results of the first two years of fund raising/revenue generation activities.

#### B. Recurrent Cost Analysis

AID support to finance the operational costs of the non-profit Center is expected to terminate in 1990 at the end of this Project. Therefore, the Center must have an effective system of income generation/fund raising in place by this date. An analysis of the illustrative budget for AID grant funds shows that approximately 75 percent of the total Project funds allocated for the Drug Education and Information Center Component (\$2.15 million) will be used to finance ongoing activities which will continue beyond the PACD, only 25 percent will be used to finance non-recurring expenses. The major categories and amounts of such non-recurring expenses are:

<u>Category</u>	<u>Amount</u> <u>(\$000)</u>
Immediate impact program	50
International training/travel	100
Office equipment and vehicle	60
Program investment	<u>200</u>
Total	410

Therefore, the total amount of recurrent costs over the four year period is estimated at approximately \$1.74 million (\$2.15 million less \$410,000).

AID assistance to the Center will consist of two principal elements as shown in the budget: Support to the Drug Education and Information Center and Technical Assistance. The technical assistance will be provided during the first three years to help establish the Center and to develop a solid administrative and operational foundation for the future. The contracting of such assistance will occur at the beginning of the Project and should not be required again after the PACD. Therefore, the \$1.3 million allocated for this activity is not included in the recurrent cost estimations. The recurring expenses salaries for Center staff, office supplies, and program implementation are incorporated in the Drug Education and Information Center line item. A portion of the total of \$ 2.15 million will be used for the procurement of equipment which will not require replacement until long after the Project terminates. Additional budgeted funds will be used to finance international travel and related expenses for training the Center Board of Directors and staff and other government officials and private individuals who are important to the success of the Center program. While attendance at international conferences and limited regional travel will continue, the expenses for this activity should drop significantly following PACD. In addition, some portion of the cost of developing the Center program, such as development of mass media campaigns and Center publications and acquisition of existing research study documentation and reports, are a one time expense which will only require updating in the future. As a result, the annual Center budget beyond 1990 is estimated to be approximately \$450,000.

In recognition of the need to immediately begin the development of programs to identify sources of income, the Project will provide technical assistance to the Center in financial management of non-profit institutions which will focus on cost minimization and self financing. Successively higher revenue goals will be established for each year of the Project beginning in the second year, i.e., the first year of Center operation, so that by 1990 the Center will have a diversified, secure inflow of revenue from other sources, including both international and local donors, fund raising campaigns, and income generation through a structure of fees and charges. The goal of the fund raising activities carried out during the Project is to obtain a pool of approximately \$450,000, i.e., an amount sufficient to finance Center operations for one year. Such a reserve fund will offset shortfalls during the initial years after 1990 and cover unexpected, temporary fluctuations in either revenues or expenses.

DRUG EDUCATION AND PUBLIC AWARENESS

TABLE IV-1

SUMMARY FINANCIAL PLAN  
(US\$000)

Component/Activity	AID Grant	GOP	TOTAL
I. Drug Educ & Info Center			
A. Immed Impact Prog	50		50
B. Info Collection & Rsrc	300		300
C. Training & TA	460		460
D. Communications	850		850
E. Admin & Operating Exp	490		490
Subtotal Drug Ed & Info Center	2150	0	2150
II. Public Sector Program			
A. Min of Health	200	67	267
B. Min of Education	100	33	133
Subtotal Public Sector Program	300	100	400
III. Technical Assistance			
A. Center Core Staff	15		15
B. Incidence & Prevalence	150		150
C. TA Contract			
1. Long-Term	635		635
2. Short-Term	500		500
Subtotal Technical Assistance	1300	0	1300
IV. Evaluations/Audits	180		180
V. Contingency & Inflation	446		446
Grand Total	4376	100	4476

NOTE: Proposed sources of AID funding; \$ 376,800 from PD&S - E&HR Account, FY and \$4 million from Project grant funds. PD&S funds will be obligated under the technical assistance contract for signing in late FY85.

DRUG EDUCATION AND PUBLIC AWARENESS

TABLE IV-2

FOREIGN EXCHANGE AND LOCAL CURRENCY  
(US\$000)

Component/Activity	AID FX	GRANT LC	AID TOTAL	GOP TOTAL	GRAND TOTAL
I. Drug Educ & Info Center					
A. Immed Impact Prog		50	50		50
B. Info Collection & Rsrc	25	275	300		300
C. Training & TA	85	375	460		460
D. Communications	100	750	850		850
E. Admin & Operating Exp	40	450	490		490
Subtotal Drug Ed & Info Center	250	1900	2150	0	2150
II. Public Sector Program					
A. Min of Health	15	185	200	67	267
B. Min of Education	10	90	100	33	133
Subtotal Public Sector Program	25	275	300	100	400
III. Technical Assistance					
A. Center Core Staff		15	15		15
B. Incidence & Prevalence		150	150		150
C. TA Contract					
1. Long-Term	600	35	635		635
2. Short-Term	420	80	500		500
Subtotal Technical Assistance	1020	280	1300	0	1300
IV. Evaluations/Audits	140	40	180		180
V. Contingency & Inflation	100	346	446		446
Grand Total	1535	2841	4376	100	4476

DRUG EDUCATION AND PUBLIC AWARENESS

TABLE IV-3

EXPECTED DISBURSEMENTS BY YEAR  
(US\$000)

Description	FY-86	FY-87	FY-88	FY-89	FY-90	TOTAL
	Yr-1	Yr-2	Yr-3	Yr-4	Yr-5	
I. Drug Educ & Info Center						
A. Immed Impact Prog	50					50
B. Info Collection & Rsrc		60	90	90	60	300
C. Training & TA		100	140	120	100	460
D. Communications		150	300	200	200	850
E. Admin & Operating Exp		130	120	120	120	490
Subtotal Drug Ed & Info Center	50	440	650	530	480	2150
II. Public Sector Program						
A. Min of Health		50	100	50		200
B. Min of Education		30	40	30		100
Subtotal Public Sector Program	0	80	140	80	0	300
III. Technical Assistance						
A. Center Core Staff	15					15
B. Incidence & Prevalence	150					150
C. TA Contract						
1. Long Term	235	200	200			635
2. Short Term	150	200	150			500
Subtotal Technical Assistance	550	400	350	0	0	1300
IV. Evaluations/Audits			90	90		180
V. Contingency & Inflation	50	50	100	100	146	446
AID Total	650	970	1330	800	626	4376
GOP Counterpart		30	40	30		100
Project Total	650	1000	1370	830	626	4476

SOURCES AND USES STATEMENT  
(Post PACD Estimate for the Center)

Table IV-4

Annual Uses (\$000)		Annual Sources (\$000)	
Activity	Amount	Source	Amount
I. Info Collection & Rsch	50	I. UNFDAC	75
II. Communications		II. Canada	25
A. Publications	20	III. Scandanavian	25
B. Seminars & Conf	15	IV. Germany	50
C. Media Campaigns	165	V. Intl Labor Org	25
Subtotal Communications	200	VI. Other Intl Donors	100
III. Training & TA		VII. Prvt Contributns	100
A. Consulting Services	20	VIII. Fees & Campaigns	50
B. Travel	10		
C. Complmtary Prog Supp	50		
Subtotal Training & TA	80		
IV. Admin & Operating Exp			
A. Salaries & Ben	100		
B. Operating Cost	20		
Subtotal Admin & Op	120		
Annual Budget TOTAL	450	Annual Est Sources	450

V. PROJECT ANALYSES

A. Technical Analysis

From September through December 1984, an IQC team from Development Associates, Inc. worked with a counterpart team from Pontificia Universidad Católica (Catholic University) to carry out a study on public perceptions of drug issues in Peru and alternatives for action. The team researched background materials on coca production, drug use and abuse, and government efforts and policies to deal with drugs in Peru as well as interviewed media representatives, directors of public and private organizations, members of the medical profession, and others to obtain a full picture of the drug and drug education situation in Peru. The USAID also contracted with the Escuela de Administración de Negocios para Graduados (ESAN) to work with Development Associates to conduct a nationwide survey on Peruvian public perceptions of drugs and drug-related problems in the country.

Survey results indicated that the Peruvian public believes that education is the most effective means of combatting domestic drug consumption. Those interviewed expressed both a demand for and receptivity to receiving educational messages. Interviewees also suggested the use of seminars/meetings with parents, conferences, mass media efforts, and information activities through the formal education system, youth clubs, medical clinics, parishes, sports clubs, and the like as means to address the problem. Additionally, 98% of the survey respondents believed that an information and education agency should exist to respond to the identified needs.

Based on this survey data and reinforced by other information, studies, and interviews, the study team concluded that an information and education program was needed in Peru, specifically to: (1) inform and lobby leaders of all segments of Peruvian society to elicit a recognition that drug use, production, and trafficking are critical national problems requiring immediate action; (2) coordinate, guide, and assist the drug education efforts of a diverse group of community and other organizations; and (3) inform the general public, through various media and organizational channels, of the dangers of drug abuse, illegal production, and drug trafficking.

The study recommended that such a program would be best received if it came from the Peruvians themselves. Due to sensitivities on the issue, a high U.S. visibility in any drug education program could damage the credibility of the effort and lessen public receptivity to the message. Thus, it was concluded that USAID visibility in any such program should be minimized, that alternative/additional sources of funding should be sought as soon as possible to minimize the possibility of the program being seen as U.S. dominated, and that a group of high-powered Peruvians should be enlisted to sponsor the program, lending their name to making this a Peruvian-supported effort to deal with a Peruvian problem.

Having concluded that a drug education and information program in Peru was both needed and feasible, the study examined a variety of means for

supporting a center which would carry out such an effort. The following alternatives were carefully researched:

(1) Use of Public Sector. While some public sector officials suggested that any AID assistance for drug education should be channeled through the responsible public sector agencies to augment their resources and enable them to carry out their information and education functions, the majority advised both against this and against establishing a new entity within the public sector. It was believed that any new funds going to existing public sector agencies would be devoured by the immense overhead costs found in the public sector without any noticeable increase in information and education activities. The creation of a new public sector entity, on the other hand, would duplicate the efforts of the MOE, which is responsible, under DL 22095, for public sector drug-related information and education activities. Additionally, any new entity would be subject to all existing governmental administrative and budget constraints, making flexibility and initiative difficult.

(2) Support for a drug information center as an administrative adjunct to an existing educational institution. Under this option (proposed by the counterpart team from La Católica), the center would become an administrative satellite to the university system, but would be "autonomous" in its operation. The Center would be sponsored by both Catholic University and Cayetano Heredia University. The six-member Board of Directors would be appointed by the rectors of both universities with La Católica responsible for four members and Cayetano Heredia two members.

Advantages of this option include the fact that the center would have immediate legal status, that it would be associated with two prestigious institutions, thus ensuring adequate support for start-up, that it would have access to academic resources and skills, that it would have administrative and logistical support, and that AID has established, good relations with the two institutions and has confidence in them.

Disadvantages, however, are numerous. The universities would have total policy control of the center, the two institutions do not have access to the broad-based constituency that would be needed to ensure support by Peruvian society, opportunity for enlisting the support and commitment of national and local leaders would be limited, the ability to mobilize financial support from outside sources would be limited, and educational institutions often tend to be overly conservative and overly research-oriented.

(3) Support for a drug information center sponsored jointly by La Católica, Cayetano Heredia, and USAID. A variation of the previous alternative, this option would increase USAID involvement and participation. The center would be administratively attached to the university system as before. However, in this case, La Católica, Cayetano and the USAID would each appoint two members of a seven-member board. The seventh member would be the Executive Director of the center, selected by the six members of the Board from a panel proposed to them by the Mission Director and the deans of La Católica and Cayetano Heredia.

While this alternative has all the advantages of the previous option, as well as the advantage of more control by USAID, it also has all the same disadvantages as well as the potential for causing the center to be seen as a tool of the United States.

(4) Incorporation of a drug information center into an existing PVO: Under this option, the center's drug education activities would be incorporated into those of an existing PVO. The benefits of this option are that the center would immediately have legal status and administrative and logistical support; it would have minimal visibility as a drug education center and would thus be buffered from negative publicity, and start-up costs for operating would be low.

Disadvantages of this option are that the PVO would have total control of policy; that drug education would not be the primary interest of the group; that drug education would have to compete with other departments for the limited funding usually available to a PVO; that freedom to be creative and innovative may well be circumscribed; and that it could be difficult for such a group to create its own constituency. Additionally, of the forty-one private sector organizations examined by the study team while researching this option, none were identified as having the potential to successfully take on a new drug education program of the magnitude needed to address the drug problem in Peru.

(5) Build upon the USIS-sponsored Permanent Committee on Drug Abuse Prevention: In October 1984, USIS sponsored the formation of a select committee of Peruvians to plan a national drug abuse prevention conference. This group continues to meet and sponsor drug education activities. Advantages of building onto this group include: its sole function would be drug education and information; there would be scope for innovation and creativity; opportunity would exist for access to outside sources of funding; as a non-affiliated group, it would have access to all segments of Peruvian society; and, the sponsors of the group would have a stake in ensuring the operation of the center. Disadvantages include the fact that the Permanent Committee has no legal status; that USIS has and maintains a highly visible role within the group; that the majority of the members are public officials who often change with and during administrations; and, that the membership does not have the broad-based makeup necessary to attract influential leaders from all segments of society.

(6) Create a new, free-standing PVO whose sole function would be drug education and information activities: Under this option, USAID would support the establishment of a new PVO devoted solely to drug education and information activities. This PVO would be sponsored by a group of select business and civic leaders in Peru. Advantages of this option are that the group would have access to a broad spectrum of Peruvian society; that the sponsors would have a stake in ensuring the operation and success of the center; that national leaders would have the opportunity to support and become involved in the center; that the opportunity for obtaining outside funding would be maximized; that opportunity for creativeness and innovation would exist; and that USAID visibility would be minimal. Disadvantages include the fact that legal status for such a group would have to be obtained, delaying

the initiation of operations, that USAID control would be minimal, that potential sponsors might have little background in drug issues and would require training, and that the center would have to start from scratch in establishing its credibility and reputation.

After considering the pros and cons of each option listed above, examining drug education programs in the U.S., Mexico, Colombia, and Bolivia, and carefully evaluating the potential of existing private institutions in Peru to initiate and continue a large-scale drug education and information program, the study team recommended the final option--the creation of a new, free-standing Peruvian PVO dedicated solely to drug education and information activities--as the most feasible option. All other alternatives were seen as having less potential for achieving the purposes of such a program, given the Peruvian reality.

## B. Institutional Analysis

During the feasibility study for this Project, the study team examined and evaluated forty-one private Peruvian institutions and various public sector institutions in order to determine their capability and/or willingness to sponsor a major drug abuse education program. Based on this review, factors that an AID-supported drug education and information center will need to address were identified.

### 1. Organizations Currently Providing Drug Information/Education Activities

#### a. Private Sector Organizations

Individual and agency initiatives to provide information and education on drug issues have increased in Peru over the last five years. Psychiatrists, physicians, and psychologists who privately treat drug abusers have become more involved in information activities, primarily as a means of promoting their services.

Fifteen of the 41 private organizations examined by the study team are currently active in providing drug information and two are conducting basic research on drugs. Another fifteen of the organizations do not have programs focusing on drug information, but are interested in becoming involved in this field. Six organizations either no longer exist or are not viable organizations. The remaining three organizations are not presently interested in becoming involved in drug-related issues.

Sixty percent of the organizations providing drug information services focus their services on youth. The remaining 40 percent of the organizations active in providing information services target their programs toward adults (half of them are private voluntary organizations and the other half are businesses).

The technique used by most groups to provide information on drug-related matters consists of conducting group presentations through lectures, films, and seminars. Audience participation, discussion, and

simulation techniques are not used. Resource persons for delivering lectures are either medical professionals with drug abuse expertise or the Peruvian Investigative Police's (PIP) narcotics education department instructors, who make their services available for these purposes on a volunteer basis. Because these information activities are conducted by private sector agencies with specific target groups, the drug information components of their programs are small and their total coverage is very limited.

b. Public Sector Organizations

The principal public sector organizations providing drug abuse information and education are the Ministry of Health, the Ministry of Education, and the Peruvian Investigative Police. Described in detail in Annex II, Exhibit B, these institutions have, for the most part, developed plans and strategies, but have been unable to effectively implement them due to lack of funding, personnel constraints, bureaucratic inertia, and lack of coordination and cooperation.

2. Capability of Existing Organizations to Sponsor a National Drug Information and Education Campaign

An evaluation of the capability of existing organizations to take on the added responsibility of mounting a national information and education campaign on drug and drug-related problems must take into consideration the following variables: knowledge of the subject, priority of drug information and education services in relation to other program activities, the organization's standing in the community, access to leaders in Peruvian society, and current status of funding. These are discussed below.

a. Knowledge of Subject

To carry out an effective drug information effort, it is essential that participating groups be fully knowledgeable in all aspects of the drug issue; this includes a solid grounding in behavioral and physical effects of drugs on individuals, the effects on society of drug usage, all varieties of drug treatment and rehabilitation approaches, and the issues surrounding production and trafficking in Peru. Moreover, knowledge in administering drug education programs is a priority prerequisite. In the study team's opinion, all private organizations reviewed by the team would require staff training and technical assistance in drug issues, program design and management and materials development.

b. Priority of Services

Drug information and education activities must occupy a higher priority category than currently occurs in any existing organization if these activities are to have any effect at all. The existing information and education activities surveyed by the study team have only recently been incorporated into the PVOs, and are accorded a very low priority. Expanding target audiences and/or increasing drug information activities is not envisioned by the PVOs reviewed and it is unlikely that they will be, for the following reasons: they would dilute the PVOs' original mission and divert

scarce resources intended for that original focus, skills and knowledge do not exist among the PVOs to carry out such activities, and there is no existing force in Peruvian society motivating such action.

c. Standing in the Community

Successful information and education efforts must have the visible sponsorship and endorsement of institutions that have established credibility within the community. A reputation of accomplishment and of implementing efforts in the best interest of the community and/or the organization's constituency will have a bearing on the effectiveness of the efforts. The survey team assessed organizations with either national reputations for effectiveness or good standing and respect among a particular segment of the society. Religious institutions and several of Peru's civic organizations are well known at the national level. Peruvian leaders and the community at large are receptive to their actions and do not react indifferently to them.

While this pool of organizations with a good standing in the community provides a foundation for a network of organizations which could disseminate drug information, the study team could identify no existing organization capable of spearheading and unifying drug education and information efforts.

d. Access to Target Groups

Drug information and education activities must be planned and coordinated to reach the broadest audience(s) possible within the defined target groups (those influential in policy making and implementation, potential and current drug users, and those individuals able to influence potential and current drug users). The study team encountered several religious and civic organizations covering relatively large sectors of the population which are interested in promoting drug prevention actions among the population they serve and are willing to play an important role in establishing a network for disseminating drug information.

e. Costs and Funding

To be effective, information and education activities require specifically allocated funds. It is difficult to rely solely on community fundraising activities, particularly given Peru's difficult economic situation.

Among the organizations reviewed, none specifically allocated funds for drug prevention purposes or for drug-related research. It appears doubtful that any of the organizations reviewed will expand their drug-related programs or that new, meaningful research initiatives will be undertaken in Peru unless there is an additional source of funds for such activities.

### 3. Conclusion Regarding Existing Organizations

The study concluded that none of the institutions reviewed has the capability of assuming responsibility for leading and implementing a major national drug information and education program, either individually or as part of a consortium. Although most of the organizations are interested in providing some drug information and education services (and some are already considerably involved in such activities), their reasons for existence lie in other directions. Acceptance of a major new function such as drug education would only dilute their efforts and possibly have a negative impact on their effectiveness. Although there are other limiting factors, such as lack of knowledge and skills in the subject area and lack of financial resources, these are not insurmountable.

While drug abuse is not their primary concern, many of the organizations reviewed are concerned about the problem. One of the most positive outcomes of the review of these institutions is the clear identification of a potential network already in place that could participate in and support drug information and education activities. Each organization serves a specific target group, at times with some overlap. Together they can effect good coverage of major portions of Peru's population. Moreover, most of the organizations include influential leaders and community opinion leaders on their boards of directors and executive committees.

From this analysis, it is clear that the foundation for a national information and education network exists, but that overall leadership, coordination and support resources are lacking. This vacuum would best be filled by creating a new national drug information and education center which would take the lead role in organizing existing PVOs and community organizations into a network of institutions providing drug education services. Such a center could offer the network such services as training, conferences, technical assistance, materials and referrals to other sources of information. Also the center could seek to encourage communication and resource sharing among network members.

The network, in turn, could support the center with advice and input on center activities. In addition, the existing organizations could disseminate information to a large segment of the population, support research and advocacy activities, and provide a funding network for the center.

### 4. Implications for the Project

Based on the examination of public and private organizations currently operating in Peru, several variables were identified which AID will require the private drug information and education center to address in its funding proposal. The following list is illustrative and non-exhaustive.

a. Financial Viability: In order to demonstrate that the Center will be working to achieve financial self-sufficiency during the implementation period, the Center's grant proposal will contain a fund raising plan and annual targets. This will include potential sources of domestic revenues, a list of potential non-USG sources of international funds, an

analysis of what the Center would have to do to obtain funds from them, and a timetable for presenting funding proposals to them.

b. Social Soundness: The grant proposal will include a social soundness analysis which will identify how the Center will attempt to keep unintended outcomes from occurring as a result of the Project and, if such outcomes should occur, how it will prevent them from damaging the Project's image. Additionally, the proposal will demonstrate how the personnel serving on the Center's Board of Directors are diverse enough to ensure that proper attention will be paid to the social impact of the Project.

c. Activities/Rationale: The grant proposal will include a description of all activities to be carried out under the Grant and the rationale for each activity. This rationale should indicate why certain activities have been selected over others, priorities among activities, and the expected results of each activity.

d. Assumptions: The grant proposal will indicate the major assumptions under which the Center will operate. This will include the Center's "philosophy" or approach to drug abuse prevention and drug-related issues and a description of the types of groups with which the Center expects to cooperate.

e. Resource Requirements: The proposal will include an itemized list of all financial, material, and personnel requirements over the LOP, broken down by year.

f. Implementation Plan: The grant proposal will include (1) a general implementation plan for the LOP and (2) a detailed implementation plan for its first year of operation. The detailed, one-year plan will be updated periodically and a new one presented each year before incremental funds are obligated under the grant agreement.

g. Targets/Benchmarks: As part of the implementation plan, the grant proposal will include annual targets and benchmarks. Such targets will be used to measure Center progress toward achieving its objectives. Final goals and objectives will also be clearly stated.

h. Evaluation Plan: Due to the importance to the Center's institutional and financial viability of showing an early impact on Peruvian perceptions, an evaluation plan will be required in the initial grant proposal. Technical guidance for the planning and implementation of project evaluations will be provided by an interagency team composed of representatives from INM, USIA, and AID.

### C. Economic Analysis

The Project argues that there are hidden costs associated with drug use and trade in Peru of which the public is unaware, that, if the public were to become more aware of these costs, it would have more interest in

supporting programs to eliminate drug production, trafficking, and use. Given the clandestine nature of everything associated with drugs and the limited research carried out on the topic to date, there is a paucity of data with which to quantify these costs. In general terms, however, these costs are associated with law enforcement, corruption, threats to national security, losses of worker productivity, health care, decreased domestic food production, lost tax revenues, and a breakdown of social values.

#### Law Enforcement

One of the primary costs of Peru's drug problem is associated with law enforcement expenses. Criminal activities permeate nearly all aspects of the production and processing of coca and its by-products. At least three-fourths of the coca produced in Peru is cultivated illegally. Illegal coca paste processing facilities are scattered throughout coca producing zones. Illicit trafficking takes place both domestically and internationally. Each of these criminal activities require that the GOP support, equip, and train law enforcement agents to deal with infractions of the law and support eradication teams to work in coca eradication programs. Additionally, larger numbers of police officers are needed to control street crime associated with drug dealing and use. Even more, each criminal caught must be maintained in state supported jails and go through the GOP court system. Together, these represent a heavy financial burden on limited public resources, diverting funds from programs with high social benefits to those which protect the populace, but offer no long-term benefits to society.

#### Corruption

A separate facet of illegality is the high level of corruption and misuse of public funds associated with the drug trade. Accusations have been made of law enforcement officers, leaders in society, GOP officials, prominent businessmen, and others of protecting and assisting drug criminals for profit. While the pervasiveness of such corruption can only be estimated, the high level at which it apparently takes place indicates that its costs to society are great.

#### Threats to Political Stability

A major cost of increasing amounts of drug trafficking and growing levels of drug abuse is that of threats to Peru's political stability. The financial resources of the drug traffickers have enabled them to build strongholds seemingly outside of legal jurisdiction, often with enough clout to purchase the loyalty of many officials charged with law enforcement. The GOP's difficulty in containing either the drug traffickers or the violence and terrorist activities increasingly associated with the drug trade contribute to an image of weakness and loss of control. This undermines the democratically elected government and contributes to political instability in the country.

#### Loss of Worker Productivity

The loss of worker productivity associated with coca paste

smoking is substantial, resulting in a high cost to society. Studies of coca paste smokers indicate that those addicted to PBC become so (psychologically) dependent on the drug that they have practically no other interests in life. They become deficient at work, have serious marital problems, and fail courses or drop out of school. When they hold a job, they are frequently absent from work.

In Peru, no precise information is available referring to the loss of productivity among drug users. However, statistics from the United States may provide a point of comparison. Based on estimates derived from definitions contained in the International Classification of Diseases, Adapted for the U.S. (ICDA), it is conservatively estimated that 32 million people or 15% of the U.S. population suffer from alcohol, drug or mental disorders. Further, it is estimated that alcohol abusers and problem drinkers alone cost government, business and industry \$28 billion in lost production (approximately two-thirds through absenteeism) and another \$18 billion in health and medical benefit costs each year. Employee drug abuse has been linked to absenteeism, increased sick leave, turnover, thefts, lowered productivity, product loss or waste, higher insurance rates, increased job-related accidents and workmen's compensation claims, poor judgment on the job, and greater amounts of management time spent with drug abusing employees (National Institute on Drug Abuse).

#### Health Costs

The effects of coca paste smoking on mental health are extremely serious. Generally described as psychologically addictive, coca paste smoking can cause anxiety, paranoia, mood swings, euphoria, motor excitement, and, at chronic levels, auditory and visual hallucinations and psychosis.

Because cocaine paste smoking is primarily found among young people in their teens and 20s, the health situation in Peru is potentially explosive. Approximately 46% of the Peruvian population is under fifteen years of age. While lack of incidence and prevalence data preclude assessing the health costs of coca paste use at this time, its growing popularity among a rapidly increasing population group can only indicate spiraling costs in the near future.

A secondary set of health costs associated with drug abuse result from an increased number of traffic accidents, industrial accidents, and other mishaps caused by slower reflexes, reduced coordination, and lower functional levels of those using drugs.

#### Decreased Domestic Food Production

Much of Peru's coca is grown on marginal land unsuited to food crops. It is difficult to determine whether the rapid increase in coca production has expanded into areas which previously did or could produce desperately needed food crops. However, the "slash and burn" activities being carried out to create new coca production areas deplete the soil and create conditions for erosion and increased flooding. This creates production

difficulties in areas far removed from the actual coca producing regions. Additionally, the price distortions introduced by coca have resulted in a shortage of laborers willing to work on farms producing legitimate food crops. Throughout the Upper Huallaga Valley, farmers producing legitimate crops have complained of their inability to hire laborers to plant, cultivate, and harvest their crops. This could have serious implications for food production in regions where coca is grown.

#### Lost Tax Revenues/Economic Impact

The USG Congressional Select Committee on Narcotics Abuse and Control has estimated that cocaine trafficking contributes approximately \$850 million per year to the Peruvian economy (although it is suspected that only a small percentage of this actually stays in Peru). However, the GOP derives no tax benefit from this money. While some of it may be spent on durable goods, very little is invested in the country and none is available for social programs such as education and health. Currently the inflationary impact of "narco-dollars" is regional, distorting local economies in coca producing zones. Should such distortions spread to a national level, they could seriously damage an already battered economy.

#### Breakdown of Social Values

Drug abuse is alternatively described as a cause of family disintegration and a result or symptom of family problems. While impossible to determine which comes first, it is evident that the two feed on each other. Looking only at the effects of coca use on society, however, it is clear that drug abuse turns many users into criminals. Addicts often turn first to stealing from their families, then to stealing from others, and finally to dealing in drugs in order to maintain their habit. Additionally, many addicts become withdrawn, aggressive, paranoid, and basically non-productive members of society. Values and morals, on which the social order is based, lose their meaning.

The drug trade also causes the social order to break down by drawing large numbers into illegal activities. Farmers evade the law, small-time traffickers live and operate in illegal circles, big-time "drug lords" become international criminals. Press coverage of narcotraficantes often glorify them, convincing impressionable youth that illegality is exciting and glamorous. Such ideas contribute to social disintegration, exacting a heavy cost on the social fabric.

The above generally describes the hidden costs of the drug problem in Peru. Besides the fact that there is little data available with which to quantify these costs, it is also difficult to put dollar values on national security, social values, corruption, and other non-tangible items. The discussion demonstrates, however, the pervasiveness of drug-related costs throughout Peruvian society. As the problem grows, the costs to Peru and the Peruvian people will also increase.

#### D. Social Soundness Analysis

The purpose of the Project is to heighten the Peruvian public's awareness of the existence and threat to society of increasing drug trafficking and abuse within Peru. The increased awareness will result in a perception by all segments of society that countermeasures are necessary, thus creating increased pressure to develop and carry out programs to reduce trafficking and abuse. In order to reach this objective, the Project design and implementation process must respond to the unique socio-cultural and political environment in Peru.

##### 1. Compatibility of the Project to the Socio-Cultural Environment

The production of coca for human consumption has a long history in Peru. From pre-Inca times, coca leaf has been grown and harvested for chewing by the native population. While the practice of coca leaf chewing has persisted into the present, it has remained an activity confined largely to the rural, traditional population. The long-term physical and mental effects of this practice are still unknown. Because of the cultural sensitivity of the practice and the lack of well-established data on its effects, the Project will not attempt to address coca leaf chewing. However, because coca production and marketing is both legal (for coca leaf chewing) and illegal (for eventual processing into cocaine), the Project must be sensitive to the potential for an adverse reaction by the traditional population to any perceived attack on coca which is not clearly specific to the illegal market. The Project will address this subject in more detail during the epidemiological study and, further, in its ongoing information collection and research efforts.

##### 2. Diffusion of the Educational Message

The drug trafficking and abuse problem is not confined to any specific segment of the population, but is evident throughout Peruvian society. Therefore, the Project must utilize all available means to disseminate its message. The Project will use existing media, such as print, radio, and television, to spread the concept of drug trafficking and abuse as a growing domestic problem which must be addressed both individually and collectively by all Peruvians. Certain specific actions, such as technical seminars and conferences, will be taken to disseminate a more specific message to opinion leaders that the problem is growing and that specific actions need to be developed and supported. These two strategies will be mutually reinforcing: increased pressure from a more informed public will result in specific governmental and institutional remedial actions and vice versa. Important information to clarify the design of the educational campaigns will be collected during the epidemiological study and other applied research activities carried out under the Project.

##### 3. Project Impact

The costs of drug trafficking and abuse to Peruvian society is discussed in Section V.C., the Economic Analysis of the Project. Unlike other AID projects, this Project is addressing not only a serious

obstacle to development, but also an activity clearly defined as illegal. Therefore, the benefits of a significant reduction in drug trafficking and abuse will accrue to all segments of society. However, there are both individuals and groups which would suffer in the short-term from the reduction or elimination of coca revenues. Clearly, individuals actively engaged in the illicit drug market will be worse off as a result of any decline in the illegal drug trade. Another group which will feel the burden of a reduced market for coca will be the small farmers who grow coca. The majority of coca production is believed to come from small plots of land owned largely by poor, subsistence farmers. A program of agricultural development must be prepared to reduce the burden of shrinking incomes for these farmers.

The above discussion has touched on only a few dimensions of the social realities of the Project. Additional knowledge will be required to design Project activities so that social soundness issues are adequately addressed. This process will begin with the implementation of an incidence and prevalence study of drug trafficking and abuse in Peru. The knowledge thus gained will be continuously supplemented by specific applied research projects on important socio-cultural topics.

## VI. PROJECT IMPLEMENTATION

### A. Project Management

#### 1. USAID Responsibilities

The Drug Education and Public Awareness Project will be managed by the Special Projects Division (SPD) within the USAID. The SPD Chief will be project manager, a senior staff member of the office, a PSC, will coordinate project implementation. USAID will monitor the Project and provide the long-term technical assistance team with information and assistance. USAID will be responsible for reviewing and approving the grant proposal submitted by the Drug Education and Information Center and for negotiating, signing, and monitoring bilateral agreements for the complementary public sector portion of the Project. Additionally, the Mission will coordinate high-impact, immediate-action drug programs with USIS and NAU.

#### 2. Role of Technical Assistance

The chief-of-party of the technical assistance team will report directly to the USAID Project Manager. The team will be responsible for initiating project implementation during Phase I of the Project, including: (1) identifying a group of sponsors for the Center and assisting them to establish the Center; (2) assisting the sponsors in preparing an acceptable grant proposal for A.I.D. funding; (3) taking the lead in designing and conducting an incidence and prevalence study of drug use and abuse in Peru, and (4) working with the MOE and MOH to develop a plan of action for assisting them with their drug-related programs. During Phase II of the Project, the TA team will be responsible for providing the technical expertise necessary to assist the Center and core staff in its operations and for providing assistance to the Project activities with the MOE and MOH.

The long-term technical assistance team will also be responsible for contracting short-term technical assistance as required during both Phase I and Phase II of the Project.

The team will submit work plans at the beginning of each phase as well as quarterly reports describing the progress of the Project.

### 3. Role of Center

The Center will be the leading implementing agency for the Project. With the initial guidance of the TA team, the Center will establish collaborative programs with other organizations involved in drug-related activities, including negotiating and signing contracts and grants with them. By the end of the TA contract, the Center will have the capability to do this without the assistance of the TA team. Additionally, the Center will be responsible for carrying out the day-to-day operations which lead to achievement of the Project purpose, will submit periodic progress reports to AID in accordance with the grant agreement, and will work closely with the TA team as it implements the MOE and MOH programs. The Center will help to provide the MOE and MOH with information and will assure that the results of the MOE and MOH programs, particularly the periodic incidence and prevalence studies, are disseminated.

The Board of Directors of the Center will be instrumental in maintaining high-level contacts both within and outside the GOP and will use these as vehicles for disseminating information about the Center and its work as well as about the message of the Center. It is probable that the Board and some contacts will form a working committee which will focus its attention on high-level activities.

### 4. Role of the MOE and MOH

The Ministries of Health and Education will implement the agreed upon programs negotiated and signed between them and the USAID. They will submit annual work plans to the Project Manager as well as periodic reports as per the bilateral agreement. They will provide counterpart funding and staff for the programs and provide institutional support for Project activities.

## B. Project Schedule

The target dates for project implementation are as follows:

- |   |                |
|---|----------------|
| 1. Full Project Paper approved and funding authorized | September 1985 |
| 2. Technical Assistance Contract signed               | September 1985 |
| 3. Technical Assistance Team in field                 | October 1985   |
| 4. Bilateral Grant Agreement signed with GOP          | September 1986 |
| 5. Grant obligated with Center                        | October 1986   |
| 6. PACD   | September 1990 |

C. Implementation Plan

1. Technical Assistance Contract

A long-term technical assistance contractor will be procured competitively following review of proposals responding to an RFP, which has already been advertised. The award will be made to the firm whose overall proposal is determined to be most advantageous to the U.S. Government, price and technical factors considered. The Mission intends to award and sign this contract prior to September 30, 1985. Although the contract will be for three years, years two and three of the contract period (Phase II of the Project) will be contingent upon the successful completion of Phase I of the Project.

2. Grant to the Drug Education and Information Center

Upon receipt of a grant funding proposal from the newly established Drug Education and Information Center, the Mission will review the proposal and the organization, in accordance with Handbook 13 and the criterion described in V.B.4, the Institutional Analysis of the Project. The Mission will then prepare and sign grant documentation with the Center. It is expected that this grant will be signed by October 1, 1986.

3. Project Agreement with the GOP

During Phase I of the Project, complementary public sector programs will be discussed and negotiated with both the MOE and MOH. A bilateral grant agreement will be signed with the GOP by September 1986.

4. Detailed First Year Implementation Plan

PP signed and funding authorized	Sept. 1985
Long-term TA contract signed	Sept. 1985
Technical assistance team in field	Oct. 1985
Incidence and prevalence study begins	Nov. 1985
Center's organizing committee recruited	Dec. 1985
Review of MOE/MOH program begins	Jan. 1986
Actions taken to begin process of legalizing Center	Jan. 1986
Center policy, program, staffing pattern, etc., developed	Feb-April 1986
Grant proposal preparation takes place	June-July 1986
Center becomes legally registered Entity	June 1986
Center recruits and hires staff	July 1986
AID receives grant proposal from Center	August 1986
Bilateral grant agreement signed with MOE/MOH	Sept. 1986
Grant obligated with Center	Oct. 1986

D. Disbursement Procedures

<u>Project Input/Method of Implementation</u>	<u>Method of Financing</u>	<u>(\$000) Estimated Amount</u>
1. Technical Assistance Direct AID Contract	Direct Payment or FRLC depending on contractor selection	1,300.0
2. Drug Education Center, Direct AID Grant, Non-US Organization	Direct Payment, Advance of Funds Basis	2,150.0
3. Public Sector Operational Support - MOH/MOE	Direct Payment Advance of Funds Basis	300.0
4. Evaluations/Audit Direct AID Contract	Direct Payment	180.0
5. Contingencies		<u>446.0</u>
	TOTAL AID INPUTS,	\$ 4,376.0

E. Procurement Procedures

AID will directly procure the services of a long-term technical assistance team. This team will, in turn procure services for the incidence and prevalence study as well as short-term technical assistance, as needed, during the life of the contract. The TA team will also locally procure office supplies and equipment needed to support core Center staff for a three-month period. Such equipment will be turned over to the Center once it has received a grant from the USAID.

The Center will procure office supplies and equipment, including a computer, technical assistance, journals and periodicals, training, etc., locally, as specified under the terms of the grant. The Center will also locally procure a vehicle, requiring a source/origin waiver. For security reasons, said vehicle will be of a common make, style, and color, thus minimizing visibility. U.S. manufactured vehicles do not comply with this requirement. One additional waiver will be required so that the Center can procure training and drug education materials from other Latin American countries.

The MOE and MOH will procure any goods and service required to carry out the programs initiated with them as specified under the terms of the bilateral agreement.

## F. Evaluation Plan

### 1. The Center

While a basic plan for creating and operating the Drug Education and Information Center has been defined, many of the details will be worked out as the Project progresses. The Center must be flexible enough to respond to the requests and demands placed on it, yet must also be able to quickly demonstrate effectiveness in changing Peruvian perceptions about drugs. For these reasons, evaluation activities during the Project are viewed as providing important inputs into the ongoing decision-making process of setting Center priorities, directions, and emphases. In addition, the Center concept, as a model for replication in other drug producing countries, will need to be fully evaluated as the Project nears termination.

In its Grant proposal to AID, the Center will include a detailed evaluation schedule. It is expected that at least three formative evaluations of the Center should be scheduled during the four years in which it will receive AID assistance. The first, which should take place during the second year of Center operation, will focus on the organizational effectiveness of the Drug Information and Education Center, looking at its accomplishments to date and projecting future activities. Goals and objectives will be evaluated, suggestions for improvements made, and plans for continuing without the benefit of long-term technical assistance reviewed.

The second evaluation, during the third year of Center operation, will review the financial position and prospects of the private Drug Information and Education Center. Means of further mobilizing Peruvian public and private sector resources will be examined as well as means of soliciting support from other international donor organizations (e.g. UNFAC, Canada, Germany).

Towards completion of the LOP, a third evaluation will take place, assessing the impact of the Center, not only in terms of organizational effectiveness, but also in terms of the overall the Peruvian response to the drug problem. This evaluation will also review of the overall effectiveness of the program model to see to what extent experience argues for replication in other drug producing and consuming countries. Regional conferences to share program experiences and evaluation findings with other countries may also be considered during the LOP.

### 2. Complementary Public Sector Program

Evaluations of the Public Sector Program should take place within the context of Center evaluations. At the time of the second and third evaluations of the Center, the MOE and MOH programs will also be examined. The initial evaluation will focus on what has been accomplished during the programs to date and project future activities. Cooperation between the public and private sector Project components will also be reviewed.

The final evaluation should consider the public sector components as a part of the overall program model and review them for replicability in other countries with drug problems.

It was agreed during the PID review that technical guidance for the planning and implementation of the Project evaluations would be the responsibility of an interagency team composed of representatives from INM, USIA, and AID. Center staff will be actively involved at all stages of the process as part of their training. To finance these and audit activities, \$180,000 has been budgeted. Additionally, AID/PPC has agree to fund the final evaluation of the Project.

CERTIFICATION PURSUANT TO SECTION 611(e) OF  
THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED

I, John A. Sanbrailo, the principal Officer of the Agency for International Development in Peru, having taken into account, among other factors, the maintenance and utilization of projects in Peru previously financed or assisted by the United States, do hereby certify that in my judgment Peru has both the financial capability and human resources capability to effectively maintain and utilize the proposed Project: DRUG EDUCATION AND PUBLIC AWARENESS.

9/18/85

Date

John A. Sanbrailo

John A. Sanbrailo  
Director  
USAID/Peru

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PROJECT CHECKLIST

A. GENERAL CRITERIA FOR PROJECT

1. FY 1985 Continuing Resolution Sec. 525, FAA Sec. 634A, Sec. 653(b).

(a) Describe how authorizing and appropriations committees of Senate and House have been or will be notified concerning the project, (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that amount)?

(a) A Congressional Notification for the Project was sent to Congress and the 15 day waiting period expired on August 1, 1985.

(b) Yes.

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

(a) Yes

(b) Yes

3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

No further legislative action is required.

4. FAA Sec. 611(b), FY 1985 Continuing Resolution Sec. 501. If for water or water-related land resource construction, has project met the standards and criteria as set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973? (See AID Handbook 3 for new guidelines.)

The Project is not a water or water-related land resource project.

5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has the Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project?

The Mission Director's section 611(e) certification is included in the Project Paper and the AA/LAC has taken into consideration Peru's capability to maintain and utilize the Project.

6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.

The Project is not susceptible to execution as part of a regional or multi lateral project.

7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade, (b) foster private initiative and competition, and (c) encourage development and use of cooperatives, and credit unions, and savings and loan associations, (d) discourage monopolistic practices, (e) improve technical efficiency of industry, agriculture and commerce, and (f) strengthen free labor unions.

8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

9. FAA Sec. 612(b), 636(h), FY 1985 Continuing Resolution Sec. 507. Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.

10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

12. FY 1985 Continuing Resolution Sec. 522. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?

The Project is narrowly focussed to raise the level of understanding among Peruvian leaders and the society at large of the social and economic problems associated with the illegal production and marketing of drugs. The Project will establish a privately managed, non-profit Drug Education and Awareness Center to support the drug education activities of FVOs. It will also finance complementary activities with the Ministries of Health and Education.

N/A

The Ministries of Education and Health will be contributing \$100,000 to meet the costs of carrying out this Project. The private sector implementing entity will progressively provide additional financing to eventually cover the costs of its own operations. It is hoped that self-sufficiency in the private sector component will occur at end of Project. To assure that adequate systems and procedures for raising non-U.S. Government funds are in place as quickly as possible, technical assistance in fund raising techniques is included in the project design.

No

Yes

No

13. FAA 118(c) and (d). Does the project comply with the environmental procedures set forth in AID Regulation 16? Does the project or program take into consideration the problem of the destruction of tropical forests?

An IEE has been carried out for this Project and a negative determination was made. No.

14. FAA 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (dollars or local currency generated therefrom)?

Not applicable

15. FY 1985 Continuing Resolution Sec. 536. Is disbursement of the assistance conditioned solely on the basis of any multilateral institution?

No.

#### B. FUNDING CRITERIA FOR PROJECT

##### 1. Development Assistance Project Criteria

a. FAA Sec. 102(b), 111, 113, 281(a). Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions, (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions, (c) support the selfhelp efforts of developing countries, (d) promote the participation of women in the national economies of developing countries and the improvement of women's status, and (e) utilize and encourage regional cooperation by developing countries?

The objective of the Project is to heighten awareness within the Peruvian public of the existence and threat to society of increasing drug trafficking and abuse in Peru, leading to improved programs to control illegal drugs. In addition to creating a Drug Information and Awareness Center to support the activities of PVOs involved in drug abuse prevention and education activities, the Project will help strengthen the drug education programs of the Ministries of Health and Education. Through supporting both the extensive network of private entities involved in drug abuse prevention and education, as well as the related programs of the above mentioned government ministries, the project benefits will reach large segments of the rural and urban poor to help them help themselves through a better understanding of the impact of drugs on family life, job performance and future opportunities. The Project will also support the GOP's own efforts to address a serious illegal drug problem with very complex social and economic implications for Peruvian society and Peruvian democracy. It is not anticipated that the Project will influence the development of cooperatives yet it will involve the participation of other countries in the region.

b. FAA Sec. 103, 103A, 104, 105, 106. Does the project fit the criteria for the type

Yes

of funds (functional account) being used?

c. FAA Sec. 107. Is emphasis on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

No. The Project emphasis is on educational and media activities which promote a heightened understanding of the drug abuse problem in Peru.

d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?

Yes. The Ministries of Health and Education will contribute the equivalent of \$100,000 as their counterpart contribution, which constitutes the required 25% government contribution.

e. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"? (M.O. 1232.1 defined a capital project as "the construction, expansion, equipping or alteration of a physical facility or facilities financed by AID dollar assistance of not less than \$100,000, including related advisory, managerial and training services, and not undertaken as part of a project of a preeminently technical assistance character.

N/A

f. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

Yes

g. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government.

The Project purpose is to increase public awareness of problems in Peru related to the production, trafficking and abuse of illicit drugs and the social, political, economic and health consequences of these activities. This purpose will be achieved through: the creation and operation of a private, independent institution which will manage a comprehensive, nation-wide campaign in drug education and information aimed at the Peruvian public; and strengthening of the principal GOP programs, in the Ministries of Health and Education, which provide drug education and drug abuse prevention services to the Peruvian public. The need for such a project is based on a comprehensive study of Peruvian public opinion of drug-related problems and an in-depth feasibility study

conducted by a U.S. consulting firm together with assistance from a Peruvian university. The study defined and analyzed public awareness of drug related issues and proposed education, information and consciousness raising measures for increasing Peru's perception of its growing drug problems. Such activities under the Project will strengthen the existing network of private and public entities involved in counteracting the illegal drug problem. As the public becomes better informed about the problems associated with illegal drugs, it will have an increased capacity to articulate its views and opinions and hence to participate in the democratic political process.

2. Development Assistance Project Criteria  
(Loans Only)

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, at a reasonable rate of interest. N/A

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan? N/A

3. Economic Support Fund  
Project Criteria

a. FAA Sec. 531(a). Will this assistance promote economic or political stability? To the extent possible, does it reflect the policy directions of FAA Section 102? N/A

b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities? N/A

c. FAA Sec. 534. Will ESF funds be used to finance the construction of the operation or maintenance of, or the supplying of fuel for, a nuclear facility? If so, has the President certified that such use of funds is indispensable to nonproliferation objectives? N/A

d. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? N/A

COUNTRY CHECKLIST

A. GENERAL CRITERIA FOR COUNTRY ELIGIBILITY

1. FAA Sec. 481, FY 1985 Continuing Resolution Sec. 528. Has it been determined or certified to the Congress by the President that the government of the recipient country has failed to take adequate measures or steps to prevent narcotic and psychotropic drugs or other controlled substance (as listed in the schedules in section 202 of the Comprehensive Drug Abuse and Prevention Control Act of 1971) which are cultivated, produced or processed illicitly, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents, or from entering the United States unlawfully? No
2. FAA Sec. 620(c). If assistance is to a government, is the government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) the debt is not denied or contested by such government? No
3. FAA Sec. 620(e)(1). If assistance is to a government, has it (including government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities? No
4. FAA Sec. 620(a), 620(f), 620(D), FY 1985 Continuing Resolution Sec. 512 and 513. Is recipient country a Communist country? Will assistance be provided to Angola, Cambodia, Cuba, Laos, Syria, Vietnam, Libya, or South Yemen? Will assistance be provided to Afghanistan or Mozambique without a waiver? No
5. FAA Sec. 620(j). Has the country permitted, or failed to take adequate measures to prevent, the damage or destruction by mob action of U.S. property? No
6. FAA Sec. 620(l). Has the country failed No

to enter into an agreement with OPIC?

7. FAA Sec. 620(o), Fishermen's Protective Act of 1967, as amended, Sec. 5. (a) Has the country seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters? (b) If so, has any deduction required by the Fishermen's Protective Act been made? No
8. FAA Sec. 620(q), FY 1985 Continuing Resolution Sec. 518. (a) Has the government of the recipient country been in default for more than six months on interest or principal of any AID loan to the country? (b) Has the country been in default for more than one year on interest or principal on any U.S. loan under a program for which the appropriation bill (or continuing resolution) appropriates funds? (a) No.  
(b) No.
9. FAA Sec. 620(s). If contemplated assistance is development loan or from Economic Support Fund, has the Administrator taken into account the amount of foreign exchange or other resources which the country has spent on military equipment? N/A
10. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption? No
11. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the AID Administrator in determining the current AID Operational Year Budget? No. Peru is not in arrears on its payment of U.N obligations. This was taken into account in the Administrator's FY 1985 Taking Into Consideration Memorandum.
12. FAA Sec. 620A, FY 1985 Continuing Resolution Sec. 521. Has the country aided or abetted, by granting sanctuary from prosecution to, any individual group which has committed an act of international terrorism? Has the country aided or abetted, by granting sanctuary from prosecution to, any individual or group which has committed a war crime? No
13. FAA Sec. 666. Does the country object, on the basis of race, religion, national origin or sex, to the presence of any officer or

employee of the U.S. who is present in such country to carry out economic development programs under the FAA?

14. FAA Sec. 669, 670. Has the country, after August 3, 1977, delivered or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards? Has it transferred a nuclear explosive device to a non-nuclear weapon state, or if such a state, either received or denoted a nuclear explosive device? (FAA Sec. 620E permits a special waiver of Sec. 669 for Pakistan.)

No

15. ISDCA of 1981 Sec. 720. Was the country represented at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Assembly of the U.N. of Sept. 25 and 28, 1981, and failed to disassociate itself from the communique issued? If so, has the President taken it into account?

Yes, however this has been taken into account in the Administrator's 1985 Taking Into Consideration Memorandum.

16. FY 1985 Continuing Resolution. If assistance is from the population functional account, does the country (or organization) include as part of its population planning programs involuntary abortion?

N/A

17. FY 1985 Continuing Resolution Sec. 530. Has the recipient country been determined by the President to have engaged in a consistent pattern of opposition to the foreign policy of the United States?

No

B. FUNDING SOURCE CRITERIA FOR COUNTRY ELIGIBILITY

1. Development Assistance Country Criteria.

a. FAA Sec. 116. Has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, can it be demonstrated that contemplated assistance will directly benefit the needy?

No such determination has been made.

2. Economic Support fund Country Criteria.

N/A

a. FAA Sec. 502B. Has it been determined that the country has engaged in a

consistent pattern of gross violations of internationally recognized human rights? If so, has the country made such significant improvements in its human rights record that furnishing such assistance is in the national interest?

Cleared by: RIA:Adams (telcon 8/13/85)

b4

ENVIRONMENTAL THRESHOLD DECISION

<u>PROJECT LOCATION</u>	: Peru
<u>PROJECT TITLE AND NUMBER</u>	: Drug Education and Public Awareness : 527-0288
<u>FUNDING</u>	: \$4.0 million Grant
<u>LIFE OF PROJECT</u>	: FY 1985-1990
<u>IEE PREPARED BY</u>	: USAID/PERU
<u>RECOMMEND THRESHOLD DECISION</u>	: Categorical Exclusion
<u>THRESHOLD DECISION</u>	: Concurrence with recommendation
<u>ACTION</u>	: Copy to John Sanbrailo, Director USAID/Peru  : Copy to James S. Hester, Chief Environmental Office LAC  : Copy to IEE file

Howard Clark      13 Sept. 1985  
Howard Clark      DATE  
Regional Environmental Officer

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ENVIRONMENTAL DETERMINATION

Project Location : Peru  
Project Title and Number : Drug Education and Public Awareness  
527-0288  
Funding : FY 85, \$4,000,000 Grant

Project Purpose/Activities: To increase public awareness of problems in Peru related to the production, trafficking, and abuse of illicit drugs and the social, political, economic and health consequences of these activities. The Project purpose will be achieved through:

- Creating and operating a private, independent institution which will manage a comprehensive, nationwide campaign in drug education and information aimed at the Peruvian public; and
- Strengthening the principal GOP programs, in the Ministries of Health and Education, which provide drug education and drug abuse prevention services to the Peruvian public.

Statement of Categorical Exclusion

It is the opinion of USAID/Peru that the Project does not require an Initial Environmental Examination, because its activities are within the classes of actions described in Section 216.2 Paragraph c(i) and c(iii) "Categorical Exclusions of 22 CFR Part 216," which read as follows:

"Section 216.2 c(2)(i)"

"Education, technical assistance or training programs except to the extent such programs include activities directly affecting the environment."

"Section 216.2 c(2)(iii)"

"Analyses, studies, academic or research workshops and meetings."

Concurrence of Mission Director

I have reviewed the above statement and concur in the determination that the Project "Drug Education and Public Awareness" does not require an Initial Environmental Examination.

9/18/85  
Date

  
John A. Sanbrailo  
Director

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SECTION: 111-2 INFO AND DCM (HECN)

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ANNEX I  
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REAS:  
SUBJECT: DRUG EDUCATION AND PUBLIC AWARENESS PID  
(127-1289)

1. THE DDC REVIEWED AND APPROVED THE SUBJECT PID ON APRIL 12, 1985, AND AUTHORIZED THE MISSION DIRECTOR, USAID/PERU, TO APPROVE THE PP. AIL/W UNDERSTANDS THAT MISSION IS IN THE PROCESS OF CONTRACTING FOR INITIAL TECHNICAL ASSISTANCE NEEDED TO DESIGN AND ORGANIZE THE PUBLIC EDUCATION CENTER, AND ASSIST IT TO DEVELOP OPG PROPOSAL FOR FUNDING UNDER THE PROJECT. GUIDANCE ON PROJECT DEVELOPMENT FOLLOWS. TWO ISSUES - USG COORDINATION AND FUNDING - WERE CONSIDERED TO REQUIRE HIGH LEVEL ACTION, AND WERE LEFT FOR SUBSEQUENT RESOLUTION. WILL ADVISE SUBSEQUENT DEVELOPMENTS SEPTEL.

2. ADDITIONAL ANALYSIS OF THE PROBLEM. THE DEVELOPMENT ASSOCIATES REPORT AND THE PID CONTAIN SIGNIFICANT ANALYSIS OF THE NARCOTICS AWARENESS PROBLEM IN PERU. THIS WILL BE SUPPLEMENTED DURING IMPLEMENTATION BY AN EPIDEMIOLOGICAL STUDY, WHICH WILL FURTHER DEFINE THE DRUG ABUSE PROBLEM IN PERU. WE SUGGEST THAT THE SCOPE OF WORK TAKE CARE TO DISTINGUISH, IN SO FAR AS POSSIBLE, BETWEEN OCCASIONAL

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USERS AND ADDICTIONS, BETWEEN TRAFFICANTS AND STREET VENDORS, AND BETWEEN EFFECTS ON USERS AND ON THE BROADER SOCIETY. THIS SHOULD HELP TO GIVE AN IMPROVED PICTURE OF THE DRUG ABUSE PROBLEM AND HELP THE CENTER IMPROVE THE DESIGN OF ITS EDUCATION AND LOBBYING EFFORTS. FOR OUR EDUCATION AND POSSIBLE USE IN DESIGN OF ACTIVITIES IN OTHER COUNTRIES, A.I.D./W WOULD APPRECIATE RECEIVING COPIES OF THE STUDY.

3. FINANCIAL VIABILITY OF THE CENTER. CHANGING PERCEPTIONS AND ACHIEVING EFFECTIVE ACTION AGAINST DRUG TRAFFICKING AND ABUSE ARE BY NATURE A LONG TERM TASK. GIVEN THIS, THE PATHWAY FOR CREATING THE CENTER WAS ACCEPTED. HOWEVER, THE FINANCIAL VIABILITY OF THE CENTER WAS SEEN AS A DIFFICULT UNDERTAKING, EVEN WITH THE AGGRESSIVE EFFORTS BEING RAISED AND CONTINUED IN THE PID. IT WAS RECOGNIZED THAT THE CENTER MIGHT NOT

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BY FULLY SELF-FINANCING BY THE END OF THE PROJECT, AND THAT CONTINUED A.I.D. SUPPORT MIGHT BE NEEDED. HOWEVER, EVERY EFFORT SHOULD BE MADE TO ACHIEVE FINANCIAL SELF-SUFFICIENCY DURING THE PLANNED IMPLEMENTATION PERIOD. TO REACH THIS OBJECTIVE, THE USA CONTRIBUTOR SHOULD PAY ATTENTION TO INSTITUTIONALIZING THE FUNDRAISING CAPABILITY IN THE CENTER PERSONNEL. EFFORTS SHOULD CONCENTRATE ON MOBILIZING RESOURCES FROM DOMESTIC AND INTERNATIONAL SOURCES, AND THE GPG PROPOSAL FROM THE CENTER SHOULD SET FORTH A THRESHOLD LEVEL FOR LOCAL CONTRIBUTIONS AND PROVIDE A PLAN FOR REACHING PROPOSED TARGETS. EVEN WITH A SUCCESSFUL LOCAL FUNDRAISING EFFORT, A CONSIDERABLE AMOUNT OF INTERNATIONAL FINANCING MAY BE NEEDED. WHILE THE A.I.D. PROJECT WOULD PROVIDE START-UP COSTS, THE PROSPECTS FOR OBTAINING CONTINUING FUNDING FROM OTHER INTERNATIONAL SOURCES WILL DEPEND TO A LARGE DEGREE ON THE SUCCESS OF THE INSTITUTION BUILDING EFFORT, PROGRAM IMPACTS, AND THE AMOUNT OF FUNDS RAISED LOCALLY.

THE GPG PROPOSAL FROM THE CENTER SHOULD CONTAIN A LIST OF POTENTIAL NON-USG SOURCES OF INTERNATIONAL FUNDS, AN ANALYSIS OF WHAT THE CENTER WOULD HAVE TO DO TO OBTAIN FUNDS FROM THEM, AND A TIMETABLE FOR PRESENTING PROPOSALS TO THEM. WE WOULD ENCOURAGE EARLIEST POSSIBLE OVERTURES TO OTHER INTERNATIONAL DONORS.

4. SOCIAL SOUNDNESS. THERE ARE POSSIBLE UNINTENDED RESULTS OF SUCCESSFULLY IMPLEMENTING THE PROJECT WHICH NEED TO BE FURTHER INVESTIGATED. FOR EXAMPLE, IT IS POSSIBLE THAT A LARGE DEMAND FOR MEDICAL TREATMENT FACILITIES AND PROGRAMS COULD BE CREATED, AND THAT SUCH

DEMAND COULD NOT BE MET BY EXISTING FACILITIES. ALSO, MANY POTENTIAL USERS OF SUCH FACILITIES WOULD HAVE LITTLE OR NO MONEY WITH WHICH TO PAY FOR THE SERVICES NEEDED. FURTHER ANALYSIS MAY WELL DISCLOSE ADDITIONAL POSSIBLE UNINTENDED, AND PERHAPS UNDESIRABLE OUTCOMES. IT WAS AGREED THAT THE GPG PROPOSAL FROM THE CENTER WOULD INCLUDE A SOCIAL SOUNDNESS ANALYSIS; IDENTIFY HOW THE CENTER WOULD ATTEMPT TO AVOID UNINTENDED OUTCOMES FROM OCCURRING AND DAMAGING ITS AND THE PROJECT'S IMAGE; AND HOW IT WOULD DEAL WITH SUCH OUTCOMES IF THEY DID OCCUR. TO ENSURE APPROPRIATE ATTENTION TO THE SOCIAL IMPACT OF THE PROJECT, IT IS ALSO SUGGESTED THAT INDIVIDUALS WITH MEDICAL AND SOCIAL WORK BACKGROUNDS BE INCLUDED ON THE CENTER'S BOARD.

5. EVALUATIONS. THE IMPORTANCE OF SHOWING IMPACT EARLY ON TO THE CENTER'S INSTITUTIONAL AND FINANCIAL VIABILITY AND THE POTENTIAL REPLICABILITY IN OTHER COUNTRIES ALLOWS FOR REGULAR EVALUATIONS OF THE EFFECT OF THE CENTER'S

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PROGRAM IN CHANGING PERUVIAN PERCEPTIONS ABOUT DRUGS. IT IS SUGGESTED THAT TECHNICAL GUIDANCE FOR THE PLANNING AND IMPLEMENTATION OF PROJECT EVALUATIONS BE THE RESPONSIBILITY OF AN INTERAGENCY TEAM COMPOSED OF REPRESENTATIVES FROM INM, USIA, AND AID. THIS WOULD HELP TO REINFORCE COORDINATION, FACILITATE INFORMATION SHARING, AND BEST UTILIZE THE EXPERTISE OF EACH AGENCY. PPC HAS AGREED TO FUND A FINAL EVALUATION WHICH WOULD EXPLORE, AMONG OTHER THINGS, THE POSSIBILITY OF REPLICATING THE PROJECT IN OTHER COUNTRIES.

6. OTHER CONSIDERATIONS.

A. PRIOR TO THE ISSUES MEETING, GC/LAC, IAC/DE AND MISSION REPRESENTATIVES DISCUSSED THE LEGALITY OF THE PARTICIPATION OF PERUVIAN POLICE FORCES (PIP/GUARDIA CIVIL) IN ACTIVITIES FINANCED WITH A.I.D. FUNDS. IT WAS CONCLUDED THAT IN ACCORDANCE WITH SECTION 562 OF THE FAA, NO A.I.D. FUNDS COULD BE USED TO PROVIDE TA, SEMINARS, OR ANY OTHER KIND OF ASSISTANCE TO PERUVIAN POLICE FORCES. IT WAS AGREED THAT INM/NAU WOULD FUND SUCH ASSISTANCE UNDER A SEPARATE AGREEMENT. THUS, POLICE PRESENCE AT SEMINARS, FOR EXAMPLE, COULD TAKE PLACE, BUT REGISTRATION AND OTHER COSTS OF POLICE PARTICIPANTS WOULD BE PAID FOR BY INM.

B. IT WAS AGREED THAT THE ECONOMIC ANALYSIS OF THE PP WILL FOCUS ON THE NATURE OF THE QUOTE WRITTEN ECONOMIC COSTS UNQUOTE OF NOT DOING THE PROJECT (I.E. LAW ENFORCEMENT, MEDICAL COSTS, LOST PRODUCTIVITY, ETC.) AND WILL QUANTIFY SUCH COSTS TO SOCIETY TO THE EXTENT POSSIBLE. A RATE OF RETURN CALCULATION WILL NOT BE PROVIDED.

C. THE QUESTION OF THE APPROPRIATENESS OF THE PROJECT FOR A.I.D. FUNDING WAS DISCUSSED AT THE ISSUES MEETING. PPC ADVISED THAT A.I.D. FUNDING IS APPROPRIATE UNDER SECTION 126 OF THE FAA AND THAT GC/LP AGREES.

D. IT WAS AGREED THAT THE RATIONALE AND JUSTIFICATION FOR THE PROPOSED SELF SOURCE TA FUNDING WILL BE PROVIDED BY THE REGIONAL CONTRACTING OFFICE IN LIMA. THE MISSION DIRECTOR'S DECISION WILL REFLECT THE RCO'S

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REPRESENTATION OF THE FAR AS PRESENTLY IN EFFECT.

7. AS PROPOSED IN WIL PID, IT WAS AGREED THAT THE MISSION WILL OBLIGATE PROJECT FUNDS THROUGH THREE MECHANISMS: 1A FUNDS WILL BE OBLIGATED BY A CONTRACT NEGOTIATED PURSUANT TO A PIC/I ISSUED AGAINST PROJECT FUNDS; A GRANT AGREEMENT WILL BE SIGNED WITH THE CENTER IN RESPONSE TO AN OPG PROPOSAL; AND A BILATERAL AGREEMENT WILL BE SIGNED WITH THE GOP FOR THE MINISTRY OF HEALTH AND MINISTRY OF EDUCATION ACTIVITIES. FUNDING FOR THE REMAINING ACTIVITIES WILL BE INCLUDED IN THE ABOVE AGREEMENTS AS APPROPRIATE.

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7. DETAILED FIRST YEAR IMPLEMENTATION PLAN. MISSION IS ADVISED THAT LAC/UR WILL NOW BE REVIEWING THE IMPLEMENTATION PROGRESS OF NEWLY AUTHORIZED PROJECTS AS PART OF THE SEMI-ANNUAL PIPELINE REVIEW. TO PERMIT INFORMED DISCUSSION, PLEASE INCLUDE DETAILED FIRST YEAR IMPLEMENTATION PLAN IN PP, AND INCLUDE DISCUSSION OF ACHIEVEMENT OF EACH PLANNED ACTIVITY IN SEMI-ANNUAL PROJECT STATUS REPORTS. SHULTZ

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PROJECT DESIGN SUMMARY  
LOGICAL FRAMEWORK

Project Title and Number: Drug Education and Public Awareness  
527-0288

Life of Project: From FY 86 to FY 90  
Total U.S. Funding: \$4,000,000  
Date Prepared: August 1985

Narrative Summary	Objectively Verifiable Ind.	Means of verification	Important Assumptions
Goal: To strengthen Peruvian commitment to drug enforcement and coca eradication programs.	Additional GOP resources are placed in enforcement and eradication programs.	GOP budget and staffing patterns.	
Project Purpose: To increase public awareness of problems in Peru related to the production trafficking, and abuse of illicit drugs and the social, political, economic, and health consequences of these activities.	1. More people believe they are receiving accurate drug information. 2. Increasing number of people believe drugs are a problem in Peru. 3. Lobbying for stronger GOP action takes place.	1. National survey on perceptions. 2. Newspaper content analysis.	
<b>Outputs:</b>			
1. Private drug education and information center established and operational.	1. - Materials printed and distributed - Research grants made - T & TA given by center	1. Evaluation/audit. 2. Audit. 3. Evaluation.	1. Legal framework does not change.
2. Center has capacity to generate a large portion of its income from non-AID sources.	- Seminars, conferences/workshops held - Library data bank formed	4. Evaluation. 5. Evaluation. 6. Evaluation.	2. Peru's tax law will continue to permit deductability of contributions to non-profit organizations.
3. Public education courses on drug abuse and drug problems improved.	- Mailing list developed - Periodic newsletter printed	7. Results available. 8. Results available.	3. Business conditions do not deteriorate to the extent that corporates private financial support is unlikely.
4. Increased number of teachers trained in drug abuse prevention.	- Media campaigns undertaken.		
5. Drug surveillance and data collection system institutionalized in MOH.	2. - Fund raising is institutionalized. - Fees are charged for services.		
6. Drug abuse terminology and reporting techniques standardized within MOH.	3. New courses designed and given.		
7. Incidence and prevalence study completed.	4. Teachers trained.		
8. Evaluations of project model completed and recommendations regarding its replicability made to AID.	5. MOH regularly collects drug abuse data. 6. Same terminology being used in MOH collected drug abuse data. 7. Incidence and prevalence study completed. 8. Evaluations completed.		
<b>Inputs:</b>			
1. Private Drug Center: Operational and Commodity Support Training.	Private Drug Center	Grantee AID Total 2.15 2.15	1. USAID records. 2. Private Drug Center Records.
2. Public Sector Support: Training Technical Assistance	Public Sector Support	0.10 0.30 0.40	3. Public Sector records
3. Epidemiological Study: Training Technical Assistance	Technical Assistance	0 1.30 1.30	
4. Evaluations: Technical Assistance	Evaluations Contingencies	0 0.18 0.18 0 0.45 0.45	All funds available on a timely basis.

A. The Single Convention on Narcotic Drugs of 1961

The cornerstone of the GOP policy framework is the Single Convention on Narcotics Drugs of 1961, which the GOP ratified in July 1964. Completed under the auspices of the United Nations, this document codified into one convention nine earlier international narcotics conventions signed between 1912 and 1953. The Single Convention has been ratified by 134 countries, including Peru. Among the obligations of the signatories are:

- obligates coca producing countries to license cultivation and establish a government monopoly to control production, which will be limited to the requirements for medical and scientific purposes;
- to destroy illegal coca plants; and
- while temporarily allowing the practice of coca leaf chewing, to gradually abolish it within 25 years of the coming into force of the Convention (December 1989 for Peru). Simultaneous reduction and finally abolition of coca leaf production to supply this market are likewise prescribed.

In addition to this international convention, Peru has signed two agreements with the United States for cooperation on the control of drug trafficking; has approved the South American accord on drugs and psychotropics written in Buenos Aires in 1973; and has approved the "Agreement on Psychotropic Substances" adopted by the Social and Economic Council of the United Nations in 1971.

B. National Laws

At the national level, Decree Law (DL) 22095, "The New Law Against the Traffic and Illicit Consumption of Drugs," is the most important drug-related legislation in Peru. Enacted in 1978, this law prohibits new coca cultivation, calls for the eradication and/or seizure of certain farms, and requires the registration of all farmers legally authorized to grow coca. Additionally, it spells out penalties for violation of drug laws; outlines the enforcement powers of the Peruvian Investigative Police (PIP), the Civil Guard, and the Republican Guard in the sphere of drugs; charges the Ministry of Education with the responsibility for developing educational activities on drug abuse prevention; and makes the Division of Mental Health in the Ministry of Health responsible for developing, implementing, and evaluating drug prevention, education, and treatment activities. While this law has been modified, amplified, and clarified by such changes as lengthening the registration period for legal coca cultivators, strengthening regulations regarding the sale of chemicals used in processing cocaine, etc; its basic

thust remains the same. Other drug-related national laws have declared the Departments of San Martín and Huánuco to be emergency zones in order to control illicit traffic of coca leaves and have prohibited the transport of coca leave to coastal areas under 1,500 meters in altitude.

C. ENACO

ENACO (Empresa Nacional de la Coca) is the state-owned monopoly which oversees the legal production of coca (as required by the Single Convention) ENACO was created in 1964 and is charged with the control of coca leaf movement from producer to consumer. It operates the Register of Producers in which each farmer is required to register the number of hectares he/she devotes to coca growing and to state the annual yield. The registry was closed in 1978, since the full quota of registered farmers, and the number of hectares of coca and the consequent production had reached the quantity sufficient to supply the legal requirements for coca leaf. All unregistered farmers who grow coca are doing so illegally.

D. Law Enforcement Agencies

1. The Peruvian Investigative Police (PIP).

The 10,000 person force of the PIP is charged with the investigation of all felonies, including narcotics offenses. The Directorate of Illicit Trafficking in Drugs (DINTID) was established within PIP in 1975 for the express purpose of investigating narcotics offenses, in 1978 it was given that responsibility exclusively. Currently, DINTID has a staff of approximately 270 people. The PIP receives commodity and equipment support and training from the U.S. Department of State and has been cooperating with the U.S. Drug Enforcement Administration and its predecessors since 1949. With limited manpower, equipment, and funding, the dramatic expansion of illicit cultivation, processing and trafficking of coca and cocaine in the last decade has virtually overwhelmed PIP's ability to cope with the problem.

In addition to its law enforcement activities, the PIP also provides educational programs on drugs. The 14-member professional staff which provides training to all investigative police candidates also voluntarily delivers talks on drug issues to teachers, parents, and students, when requested. They conduct approximately five informational activities per week in selected communities.

2. The Civil Guard (GC)

The GC, with its 28,000 person force, is responsible for crime prevention, investigation of misdemeanors and, in areas where there is no PIP presence, the investigation of all criminal offenses. By law, the GC is charged with enforcing existing laws regarding cultivation, production, marketing, movement and possession of coca leaves. In March 1981, a Mobile Rural Patrol Detachment (UMOPAR) was created by the GC in Tingo María. It is

devoted exclusively to the control of coca production. UMOPAR has been provided vehicles and radio equipment through the U.S. narcotics assistance program and has had some success in seizing coca paste conversion facilities and controlling the illicit movement of leaf and paste in the Tingo María area.

Both the PIP and the GC have narcotics units functioning on national and regional levels. Each has a narcotics training center for its personnel and mobile training teams to provide instruction in the outlying areas.

### 3. The Guardia Republicana

The Guardia Republicana is responsible for border control and immigration, and the Customs Service, which controls export/import activities, aid in the enforcement of the Peruvian narcotic laws. The Customs Police Patrol and Intelligence Bureau (CPPI) is an enforcement branch of the Peruvian Customs Service which, in turn, reports to the Ministry of Economy and Finance. The CPPI has the responsibility for inspecting passengers and baggage departing Peru, and particularly for interdicting outgoing narcotics and contraband. The 850-member CPPI also receives support from the U.S. Government.

### E. Ministry of Health (MOH)

The Ministry of Health (MOH) is responsible for the development of research programs, epidemiological, medical, and scientific studies and the provision of technical assistance on drug addiction. A major portion of the MOH's drug-related activities are sponsored and supported by international donors, such as the United Nations Fund for Drug Abuse Control (UNFDAC), the International Labor Organization (ILO), and the Pan American Health Organization (PAHO) in coordination with the World Health Organization (WHO). Under these programs, the Ministry recently developed guidelines for the regulation and control of the medical use of psychotropic drugs and for the collection of epidemiological data. Mental health and other medical staff at the national hospitals have received training on the regulations controlling the medical use of drugs and the epidemiological system, as well as in other drug abuse related areas. In addition, equipment and materials have been purchased, including microcomputer, to facilitate the collection and analysis of epidemiological data.

A draft program proposal and a draft organizational manual for implementation of Juvenile Centers were recently forwarded to the PAHO Regional Office in Washington, D.C., for approval. The purpose of these centers will be to provide outpatient services to drug abusers, as well as prevention services for the catchment area. Additionally, the Ministry of Health is establishing resource centers to provide support services to relatives of drug abusers.

In 1975 the MOH inaugurated one of the first youth rehabilitation centers in Naña, about an hour's drive from Lima. This center continues to operate, providing inpatient rehabilitation services for approximately 30 patients. UNFEDAC, through PAHO, recently equipped three shops at the Naña center so that skills training can now be included in the rehabilitation program.

In addition, several studies are being conducted by the Ministry of Health, with one already in press: an epidemiological study based on the clinical histories of 498 drug cases treated in specialized hospital facilities on an inpatient and outpatient basis. Consideration is also being given to the establishment of a drug abuse treatment program for women at the Instituto Nacional de Salud Mental. PAHO is expected to provide technical support for this program.

F. Ministry of Education (MOE)

The Ministry of Education (MOE) is responsible for developing educational activities related to drug abuse prevention. These include information and orientation activities targetted at teachers and community group members. To carry out these and other education-related activities on drug abuse prevention, the MOE, in 1979, created a nine-member Education Sector Coordinating Committee for the Prevention of Illegal Drug Use (COSEPUID) under the Permanent Committee of Executive Coordination (JUPCE). In 1982 COSEPUID developed, and the Ministry approved, a National Drug Abuse Prevention Plan to promote and increase awareness among teachers, parents, and community leaders to drug-related problems and to train teachers on values clarification. Specific activities indicated in the National Plan are:

- training secondary and primary school teachers from various regions of the country on an annual basis in drug abuse prevention issues,
- reviewing existing curricula and developing new guidelines and materials to assist teachers in the implementation of the drug prevention component,
- delivering talks to parents and other community members to inform them of drug issues,
- organizing local committees in those regions with a high prevalence of drug consumption, inviting local authorities and community organization's representatives to join and participate in these committees, and
- organizing and implementing six pilot centers to facilitate research on drug consumption.

As part of this plan, the MOE has trained over 5,000 teachers to deal with drug abuse prevention issues and has developed audio-visual

materials for use in schools and on the air. However, these materials have not been extensively used due to a general lack of financial support.

G. Ministry of the Interior

A multisectoral committee comprised of the principal governmental agencies has been formed as part of the National System for Control of Drugs. Presided over by the Minister of Interior, the committee is responsible for supervising and coordinating the activities of the member agencies, approving policy guidelines for the implementation of DL 22095, dictating the necessary standards for compliance with the law, and proposing the regulations needed to accomplish the objectives of the law.

Further, an executive office (OFECOD) has been formed to coordinate the various drug-related activities of the agencies. However, the office consists of only a coordinator who has neither staff nor control over the individual agencies or departments. Each agency carries out its responsibilities in this area in accordance with its own priorities and budgetary resources.

H. Ministry of Agriculture

The Ministry of Agriculture is administering the INM-financed Coca Control and Reduction Program (CORAH) in the Upper Huallaga Valley. This program is divided into two components, one involves the voluntary eradication of coca plants and is designed to offer benefits in credit and other types of agricultural assistance to those coca farmers desiring to eradicate their coca fields. The other component is a compulsory program to eliminate remaining illegal coca cultivation.

I. National Development Institute (INADE)

INADE, through a special project office, PEAH, is implementing a five-year AID-GOP project in the Upper Huallaga Valley. Resources are being used to strengthen public sector agricultural support services and to develop agricultural production packages for the region's farmers. The project was designed to help minimize the negative social and economic effects of CORAH's eradication activities.

PART I - SECTION C

STATEMENT OF WORK

I. OBJECTIVE

To provide a technical assistance team that can assist the host country (Peru) organize and make operational a private drug prevention and education center and that can assist the Ministries of Education and Health expand their ongoing drug and related education programs. The technical assistance team assigned herein will help Peruvians establish a private non-profit organization that can significantly expand drug education and information campaigns nationwide so as to increase public awareness of the country's growing drug abuse and drug related problems. Assistance will also be provided for expanding complementary drug-related education and prevention programs in the Ministries of Education and Health.

II. SCOPE OF WORK

A. General

The Contractor will furnish the services of a high quality, Spanish speaking, technical assistance team, with experience in designing and implementing drug education and prevention programs and in organizing private agencies to carry out such programs. This team will help Peruvians organize and make operational a private drug and education center (hereinafter referred to as the Center), train the Center's staff in drug education techniques, design and help implement nationwide drug prevention and education campaigns and help the Center mobilize local and international financial support for continuing Center drug education and prevention activities. It is expected that the Center's headquarters will be in Lima, Peru. The Contractor will also provide technical assistance to complementary drug-related prevention and education activities in the Ministries of Education (MOE) and Health (MOH) related to program design and implementation and to systems for collecting data on Peru's growing drug abuse problem.

The Contractor team will be composed of a Chief of Party and a Peruvian national assistant, which will provide a total of 72 person/months of long-term technical assistance. The work of the team will be supplemented by approximately 42 person/months of short-term technical assistance. (See Section V.3.)

The contract is to be implemented in two phases, with Phase II dependent upon successful completion of Phase I. Phase I, of approximately one year duration, will be dedicated to assisting Peruvians organize and establish the Center, help design and conduct a nationwide incidence and prevalence study on drug use and abuse in Peru, based on the latter study help design the Center's preliminary drug education program and campaigns, and help the Center prepare a grant application to A.I.D. to initiate its drug education activities. Phase II, which will follow the completion of Phase I

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and last for approximately two years, will be dedicated to assisting the Center in planning and carrying out its drug education programs, helping the Center recruit and train personnel in drug education techniques and methodologies oriented to the general public and helping the Center mobilize financial and in-kind contributions from local and international drug education sources so that its programs can become self-sustaining. In addition, the Contractor will provide technical assistance to expand and improve the complementary drug-related education programs in the Ministry of Health and Ministry of Education.

B. Specific

Phase I Activities - The Contractor shall:

1. Assist the Peruvians to establish a Drug Education and Information Center, which will involve the following activities:

a. Recruitment of the Center's Organizing Committee. The Contractor will begin to work with interested Peruvians to establish contacts with existing institutions and organizations which have expressed an interest in dealing with the drug abuse problem in Peru, including, but not limited to, the local Rotary and Lions Clubs, the Boys Scouts, other private voluntary agencies, and the Permanent Committee on Drug Abuse Prevention. Together they will select a core group of sponsoring members who will promote the Center concept. The core group, with Contractor technical assistance, will:

(1) Develop a short discussion document or bulletin for establishment of the Center to be used in presentations made to interested groups and individuals, and will include:

(a) Background of the drug problem in Peru;  
(b) Organizational goals (what the Center is expected to accomplish);  
(c) Organizational structure of the Center;

i. management  
ii. staff

(d) Principal Center activities (a short description of each), which may include, but not be limited to, the following;

i. Information collection and dissemination;  
ii. Sponsoring applied research projects;  
iii. Provision of training and technical assistance to interested groups, and  
iv. Public education.

(e) Membership;

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(2) Assist the Center's Board of Directors to organize the Center as a legally constituted entity.

b. Approximately 3 months prior to the projected date for the signing of an AID grant agreement (during grant proposal preparation and review), the Contractor will assist the Center Board of Directors to recruit and hire a core staff who will begin organizing the Center's operations. The objective of recruiting and hiring the core staff prior to signing the AID grant agreement is to develop the organizational structure so that the managerial and technical capability criteria for assisting recipients can be met.

(1) To meet these criteria the Center must:

- (a) Possess or have the ability to obtain necessary management competence in program/project planning and implementation;
- (b) Demonstrate potential or actual management ability and capacity to plan and implement programs in the drug education and public awareness field;
- (c) Meet AID standards for an acceptable accounting, record keeping and overall financial management system;
- (d) Identify personnel and travel policies (in writing), showing adequate applicability and control, in recruitment, classification and salary for personnel and reasonableness to cost principles applied to travel.

In order to ensure that the Center will meet these criteria at the time of AID grant proposal review, the Contractor will (with additional short-term technical assistance, as necessary):

(1) Assist the Board of Directors to:

- (a) Develop job descriptions for core staff; and
- (b) Recruit and hire the core staff; and
- (c) Obtain adequate office space and equipment to perform the pre-agreement activities described below.

While the core staff will be hired as employees of the Center, their salaries and operating expenses will be financed under this contract.

(2) Assist the core staff to develop the operational structure of the Center for the review and approval of the Board of Directors, which will include:

- (a) Establishment of Center policies, e.g., substances to be dealt with, degree of program concentration (preventive or treatment, use of Center staff vs outside expertise, pragmatic vs research focus, etc.
- (b) Establishment of operational procedures for:

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i. integrated accounting and financial systems;  
ii. personnel system;  
iii. procurement system;  
iv. management information system;  
v. planning and budgeting; and  
vi. implementing the programs of the Center in public education, applied research, training and technical assistance, and information collection, analyses, and dissemination.

c. Assist in the development of an acceptable grant proposal for funding of Center activities by AID. The grant funds requested, in the form of a Specific Support Grant (in accordance with AID HDBK 13), will be used to support the drug education and information activities of the Center over the remaining life of the project, approximately 4 years.

(1) The grant fund will finance the following activities:

- (a) salaries;
- (b) operating expenses;
- (c) equipment and office supplies;
- (d) training (Center staff and other);
- (e) applied research;
- (f) information collection and analyses, and
- (g) communication and outreach.

(2) The Grant proposal should contain the following:

- (a) rationale for the proposed activities;
- (b) major assumptions;
- (c) a description of expected accomplishments;
- (d) resources required, including all necessary financing;
- (e) a description of the activities to be carried out to meet objectives;
- (f) time frame for implementation;
- (g) a set of targets to measure progress toward objectives;
- (h) a social soundness analysis and a description of the participating groups; and
- (i) a plan for evaluating progress in meeting objectives.

While the estimated time required to establish the Center and to develop and review the grant proposal is approximately one year, the termination of Phase I and commencement of Phase II will be signaled by the signing of the grant agreement between the Center and AID. Upon signature of the grant agreement, the core staff, will be absorbed on to the Center payroll financed by AID grant funds.

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2. Help design and conduct an Incidence and Prevalence Study of drug use and abuse in Peru, which will include the following:

a. Designing the scope of work for the study (subject to AID review and approval), which will include, but not be limited to:

- (1) a statistically significant, nationwide sample;
- (2) quantification of drug use by:

- (a) number of users classified by age, sex, socio/economic condition, rural/urban habitat, and frequency of use,
- (b) substances used and quantities consumed,
- (c) cost structure of the market, and
- (d) logistics and distribution structure of the market;

b. Obtaining the resources necessary to design and carry out the study;

- c. Reviewing and approving the study methodology to be used;
- d. Reviewing and approving the questionnaire to be used;
- e. Monitoring implementation of the study;
- f. Reviewing the data, analysis, and conclusions of the study;

and

g. Providing for publication (in English and Spanish) of the results of the study and distribution through the Center to interested parties.

The Incidence and Prevalence Study will be designed, implemented, and the results published prior to the completion of Phase I. The results will be disseminated to the public and used to plan the organization, objectives, policies, procedures, and activities of the Center during Phase II. This Study will also be used to establish the framework for designing the Center's drug education and information programs.

3. The Contractor will review drug education and information programs in the Ministries of Education and Health and develop a plan of action for assisting these programs. For example, it is expected that the above described Incidence and Prevalence Study will be implemented closely with the University Cayetano Heredia, which assists the MOH to carry out studies and that a follow-on program to institutionalize this type of data collection will be developed. Likewise, the Contractor will identify what type of assistance is needed by the Ministry of Education to expand its drug education program.

Phase II Activities - The Contractor shall:

1. Provide technical assistance to the Center in carrying out its activities in accordance with its institutional goals and objectives. The Contractor will assist the Center to plan its organizational structure, obtain personnel resources, train personnel, plan its objectives and program, and carry out its operational plans.

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- a. The Contractor will assist the Center in planning for and obtaining personnel and physical resources, which will include:
- (1) Develop job descriptions for staff;
  - (2) Develop a recruitment plan and schedule;
  - (3) Recruit and hire additional staff;
  - (4) Develop office space needs and equipment specifications;
  - (5) Rent office space (if core staff space not adequate for full staff); and
  - (6) Procure office equipment and supplies.

2. Assist the Center to develop detailed operational plans, both a four year strategic plan encompassing the life of the project and annual plans. The plans will contain measurable targets to be achieved by the end of the relevant time period for each programmed center activity and mechanisms for evaluating progress. The plans will contain a full description of activities to be carried out in the following areas:

- a. Information collection and analysis, including:
  - (1) research topics and methodologies, and
  - (2) acquisition of information from external sources;
- b. communications (educational and informational) including;
  - (1) mass media campaigns (radio, TV, posters),
  - (2) seminars and conferences,
  - (3) publications,
  - (4) community outreach programs;
- c. Training, including, but limited to: third country training and observational trips, seminars, on-the-job training, and general training in such topics as drug matters, PVO management, program planning and implementation, fund raising, accounting and financial management, and communications and outreach, etc. for:
  - (1) Center management and staff, and
  - (2) other interested groups and institutions;
- d. Fund raising including special emphasis to helping the Center mobilize local and international financial support from sources other than AID; and
- e. Coordination with other similar Latin American programs and institutions.

The plans will be supported by schedules of major events, descriptions of resources required, and estimated costs.

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### 3. Complementary Public Sector Activities.

The Contractor will also provide assistance for activities within the Ministry of Education (MOE) and Ministry of Health (MOH) which are complementary to the function of the Center. Specifically, the public sector activities will focus on assisting the MOE to implement selected portions of its National Drug Abuse Prevention Plan and assisting the MOH in two areas: (1) developing a drug surveillance system, establishing systematic collection of drug abuse information, and standardizing drug abuse terminology and reporting techniques through the MOH affiliation with the University Cayetano Heredia; and (2) conducting mass media campaigns in drug abuse education and prevention through MOH facilities. AID may also collaborate with the MOE and the MOH and assist these two Ministries on the basis of information provided by the review performed during Phase I. A principal objective of these public sector activities will be to promote active information exchange and program support between the Center and the public sector.

Following signature of an AID agreement, the Contractor will monitor implementation of the program and provide short-term technical assistance, as required.

#### a. Ministry of Education Program

The Contractor will provide institution building support to the MOE, specifically to the Comité de Coordinación Sectorial de Educación Para la Prevención del Uso Indebido de Drogas (COSEPUID), helping it to expand and improve its National Drug Abuse Prevention Plan. By the end of the contract period, COSEPUID should have the ability to:

- (1) Develop drug abuse prevention curricula for elementary and secondary school teachers;
- (2) Develop and coordinate training of trainers courses for selected participants;
- (3) Form and train school teams, comprised of educators, parents, and community leaders, to address and cope with drug abuse problems of individual schools;
- (4) Provide technical assistance and training to local committees already organized in those regions with a high prevalence of drug consumption;
- (e) Provide training and technical assistance to the six pilot centers already in existence, which carry out research on drug consumption; and
- (5) Provide training and technical assistance in the development and distribution of drug abuse prevention materials.

In all instances, the Contractor will work with and encourage cooperation between the MOE and the Center in the institution-building process.

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b. Ministry of Health Program

The Contractor will provide technical assistance to the University Cayetano Heredia, through its affiliation with the MOH. By the end of the contract period, the University Cayetano Heredia should have the ability to:

- (1) Conduct periodic incidence and prevalence surveys and studies on drug abuse;
- (2) Standardize the drug abuse terminology and techniques used in hospitals and by physicians;
- (3) Implement a drug abuse information reporting system, such as VEDA, and/or a drug surveillance system, such as DAWN; and
- (4) Review, assess, and disseminate drug-related research reports, utilizing Center resources where feasible.

In addition, the Contractor will encourage and promote collaboration between the Center and the MOH in development and implementation of drug abuse education and prevention campaigns.

III. Reports

In lieu of the semiannual reporting requirements in the General Provisions of the contract, Contractor will furnish USAID with the following special reports:

A. Work Plans: Within 45 days of contract signing and of the start of Phase II the Contractor will provide USAID with a detailed plan for carrying out the scope of work encompassed in Phase I and Phase II, respectively, of the contract;

B. Quarterly Organizational Report (Phase I): The Contractor will provide USAID with a quarterly report at the end of each three-month period of Phase I. The Quarterly Report shall describe progress toward (1) establishment of the Center and (2) carrying out the Incidence and Prevalence Study. Major problem areas and suggested solutions should be included;

B. Quarterly Operational Report (Phase II): At the end of each three month period, the Contractor will furnish a report describing the operational development of the Center, including staff levels, information resources, procedural development, activities carried out during the period, and activities planned for the subsequent period. Major problem areas and suggested solutions should be included;

D. Quarterly Operational Report for Public Sector Activities (Phase II): At the end of each three month period, the Contractor will furnish a report describing activities carried out during the period, activities planned for the subsequent period, major problems encountered during the period, and suggested solutions to the problems;

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E. Final Reports: At the end of Phase I and at the end of the contract, the Contractor will provide USAID with a summary of all activities carried out during Phase I and Phase II, respectively, verifying that the terms of the contract have been fulfilled; and

F. Contract Information System: Contractor will maintain a contract status and reporting system which can provide immediate access to information. The system will include, at a minimum: (a) a time line for performance of services, b) current financial information relating to the contract, and (c) the recurrent reporting documents described above.

#### IV. TEAM COMPOSITION AND QUALIFICATIONS

USAID/Peru has determined that in order to effectively execute the Phase I and Phase II activities described in the Scope of Work, the following personnel are required:

A. Chief of Party/Drug Education and Information Specialist: Should be a Spanish speaker (S-3, R-3) and have at least a Master's level university degree in the field of administration, economics, sociology, or anthropology.

1. The candidate should have the following qualifications:

- a. At least 5 years experience in providing training and technical assistance in organizational development and mass communication campaigns in drug abuse education and information in a Latin American setting;
- b. Knowledge of drug education and information and drug abuse prevention and treatment methodologies in a Latin American context;
- c. At least 2 years experience in working with all segments of society in the development and organization of private voluntary organizations in a Latin American setting;
- d. Knowledge of and familiarity with Peruvian culture and the socio/economic/political environment;
- e. Demonstrated ability to manage, coordinate, and backstop a full-time staff and provision of short-term consultant assistance; excellent planning and management skills are needed; and
- f. Knowledge of AID development programs and experience in preparing and drafting AID grant requests for private voluntary organizations.

2. The duties of the Chief of Party/Drug Education and Information Specialist shall be to:

- a. Coordinate and manage the establishment of the Drug Education and Information Center;
- b. Obtain the resources for and monitor the Incidence and Prevalence Survey;
- c. Provide assistance to the Board of Directors and staff of the Center to ensure submission of an acceptable grant proposal to AID and monitor implementation of the grant project;

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d. Provide technical assistance, either personally or through short term consultants, to ensure that operational plans are developed and implemented in accordance with institutional objectives and the AID grant agreement;

e. Provide information for and monitor progress of AID-funded, drug related activities in the Ministry of Education and Ministry of Health and manage the technical assistance provided to those institutions; and

f. Provide for the administration of the contract, support for short term consultants while in country, and accurate and timely reporting to USAID.

B. Assistant Drug Education and Information Specialist should be a Peruvian national with English language capability (S-4, R-4) and have a university degree in public or business administration, economics, or sociology/anthropology.

1. The candidate should have in following qualifications:

a. At least 2 years of business, program, or project management experience, including interaction with accounting and financial systems;

b. At least 2 years experience in a staff or volunteer position within a private voluntary organization which deals with mass communication, and public education and community outreach in the field of community development (health, nutrition education, income generation); and

c. Not publicly identified with a non-Peruvian institution which might impair the candidate's ability to maintain credibility and objectivity and thereby negatively impact on the project; and

d. Demonstrated ability to manage and coordinate project activity.

2. The duties of the Assistant Drug Education and Information Specialist will be further defined by the Chief of Party, but will include:

a. Developing and maintaining contacts with Peruvian leaders and public and private associations and groups interested in drug abuse prevention and treatment;

b. Providing assistance to the Chief of Party in adapting technical expertise on drug-related matters to the Peruvian socio-cultural context;

c. Acting in place of the Chief of Party during his absence; and

d. Providing administrative backstopping to the Contractor team.

C. Short-term Technical Assistance will supplement the long-term Contractor team composed of the Chief of Party and Assistant Drug Education and Information Specialist. Approximately 42 p/m of level of effort will be required in the following subject areas:

<u>Title /Duty</u>	<u>Level of Effort</u>
1. Management Specialist to assist in the planning for and establishing the organizational structure and operational procedures of the Center.	4 pm
2. Accounting and Financial Systems Specialist to assist in developing and establishing the accounting and financial record-keeping and reporting system for the Center.	4 pm
3. Training Specialist (with developing country experience) to assist the Center to design and implement training activities for management and staff and other groups and institutions. In addition, the consultant will assist MOE to design drug abuse prevention curricula to train trainers.	10 pm
4. Drug Education Specialist to assist in planning, monitoring, and evaluating educational campaign(s) on the drug problem of Peru to be implemented by the Center, MOE and MOH. The consultant will be responsible for assuring the coordination of timing and message content between institutions.	10 pm
5. Fund Raising Specialist (with developing country experience) to assist the Center in setting goals for soliciting non-AID funding and planning for income generation and fund raising campaigns.	4 pm
6. Survey Specialist to assist in writing the scope of work for the Incidence and Prevalence Study and then to monitor it. In addition, the consultant will assist the MOH/University Cayetano Heredia to design a plan for carrying out such a study and other data gathering activities on a regular basis.	10 pm

Each short-term consultant will present a brief work plan within one week of arrival in Peru. Upon completion of his assignment the consultant will present a brief final report to the Center and AID (MOE and MOH, as appropriate) concerning the assistance provided, accomplishments realized, and recommendations.

V. <u>SELECTION CRITERIA</u>	<u>WEIGHT</u>
A. <u>Firm's Experience and Qualifications:</u>	30
Experience developing drug education and prevention programs directed to Spanish-speaking audiences and organizing	(10)

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private non-profit groups in LDCs.	
Experience in recruiting and managing consultant teams and successfully mobilizing personnel rapidly for overseas assignment.	(10)
Experience in successfully supporting long-term consultant teams abroad.	(10)
<b>B. <u>Qualifications of Contract Personnel:</u></b>	<b>70</b>
Chief of Party	(40)
Assistant Drug Education and Information Specialist	(20)
Short-Term Technical Assistance	(10)
Total	100

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P A R T IV - S E C T I O N M

EVALUATION FACTORS FOR AWARD

The Criteria set forth below will serve as the basis upon which your technical proposal will be evaluated.

The Criteria presented below, and the numerical weighting, have been tailored to the requirements of this particular solicitation. Offerors should note that these Criteria: (a) serve as the standard against which all technical proposals will be evaluated, and (b) serve to identify the significant matters which offerors should address in their technical proposals.

<u>SELECTION CRITERIA</u>	<u>WEIGHT</u>
A. <u>Firm's Experience and Qualifications:</u>	30
- Experience in successfully recruiting and directing suitably qualified consultants.	(10)
- Experience in successfully mobilizing personnel rapidly.	(10)
- Experience in successfully supporting long-term consultant teams abroad	(10)
B. <u>Qualifications of Contract Personnel:</u>	70
Chief of Party	(40)
Assistant Drug Education and Information Specialist	(20)
Short-Term Technical Assistance	(10)
TOTAL	100

NOTE: Price has not been assigned a numerical weighting. Although selection will be based primarily on technical criteria, the award will be made to the offeror whose overall proposal promises the greatest value to the Government, technical and price factors included.

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