

Terms of Reference

Invitation to Tender: Policy Brief on Illicit Economies for the GCRF-ESRC Drugs and (Dis)Order Research Project 11 February 2019

Introduction

Christian Aid will publish an annual policy brief, which will be the foundational piece for its engagement in the GCRF-ESRC project's global advocacy engagement each year, targeted at key UN Member States, critical development actors and the World Bank. This Brief is designed to initiate and sustain policy conversations with a non-academic audience – i.e. development and peacebuilding practitioners, elected representatives, MEPs, faith leaders, donor agency staff, other NGOs, or journalists – on the issue of illicit economies and the nature of the transition required from war economies to peace economies.

- The first Policy Brief for 2019 is on the theme of peace, illicit economies and the Sustainable Development Goals (SDGs). The target is to release it in time or during the UN High Level Political Forum on the SDGs in July 2019. It will also be used as a basis for face-to-face briefings to be organised with the priority targets in Christian Aid's advocacy strategy for the project.

Rationale for this Policy Brief

When the UN adopted Agenda 2030 or the Sustainable Development Goals (SDGs), a key promise made was to 'leave no one behind'. Hence, governments and development agencies set ambitious targets for development aid to reach the poorest of the poor. DfID vowed to 'put the last first'. Yet even with such pronouncements and commitments, many are being left behind year on year, particularly those surviving in the most dangerous places or borderland territories with chronic conflict, violence and continuing displacement. These are places administered differently from areas closer to the centre – sometimes abandoned by state institutions; oftentimes under-served or handled by ill-equipped and under-funded state institutions; and, also, not unusually controlled through intermediaries who rely on coercion rather than consent, or where rule of law is limited, even suspended, rather than extended. These fraught relationships in governance often exacerbate rather than overcome the sense of disconnect and marginalisation among these communities. Agenda 2030, in reality, is barely reaching these areas; it will be impossible to achieve without reaching these areas.

But despite the apparent conflict and chaos, which are of deep and pivotal importance to sustainable development, there is not a complete absence of order in these dangerous places. People have been anything but passive and static. They somehow survive, making choices in complex processes of adaptation that create new, hybrid forms of de facto governance and economic arrangements. They adopt innovative and unorthodox strategies to secure food, livelihoods, and stability in continually shifting and insecure environments.

In such contexts, informal and illicit forms of economic activities emerge as a means for survival for those with no other choice, even if such economies may undeniably sustain conflict and criminality as well.

The conventional understanding of the peace and development challenges in these borderland territories therefore remains problematic. Viewing such arrangements as exogenous to local political processes, rather than a manifestation of broader socio-political adaptations, too often produces a narrow fixation on the metrics of law enforcement, ones that overlook the broader socioeconomic and political milieu of coping and survival. It tends to analyse illegal trades from a model that assumes

those involved make choices guided purely by profit motives – or indeed are passive ‘victims’ of the illicit markets which permeate the political and economic structures surrounding them. There is also a tendency to assume that extending the footprint of the state, building connectivity, reconstruction and integration efforts will automatically address war economies and bring about peace. Yet evidence suggests that such efforts may bring new forms of conflict and may do little to address the exclusion of borderland communities from the fruits of development and peace. Hence, it fails to capture the complexity and hybridity across borderland regions where illicit economies thrive, and instead suggests a misleading homogeneity in terms of who are involved, the characteristics of their involvement and why they become involved.

An outcome of such understanding is a fundamental flaw: the omission or fundamental misunderstanding of the role of illicit economies within the scope and various mandates/goals of the SDGs. Thus, entire communities and regions can slip through the development cracks. Or else, rather than tackle the underlying development challenges, what happens instead is the proscription and effective criminalisation of the coping mechanisms and survival strategies of poor communities that actually survive conditions of conflict and violence, without the protection of law, and unreached by development aid. ‘Leaving no one behind’ becomes an unfulfilled, or indeed impossible, goal under these scenarios.

Two questions arise, therefore:

- What are the implications of illicit drug economies in contexts affected by violence, conflict and fragility for policy debates around, and the achievement of the SDGs?
- How can illicit drug economies be better addressed so as to support more sustainable and inclusive war to peace transitions, both for the economy and for peace more broadly?

Answers to these questions could support governments, donor agencies, development banks, and NGOs, as they revise and improve their poverty reduction or fragile-and-conflict-affected-states strategies to achieve the sustainable development goals (SDGs) of Agenda 2030.

This policy brief will aim to show not only gaps or blind spots in Agenda 2030, but also how these SDGs (particularly Goal 16 but also other related goals and targets) could better engage the fundamental issues surrounding illicit economies, particularly in relation to peacebuilding and transitions to economies of peace. The brief will show how in some respects, illicit economies are playing a role in addressing the SDGs in relation to poverty, health and conflict. Illicit economies, for example, can be the only viable source of cash for marginalised communities that are needed to secure food and access to health. Various case studies have shown that illicit economic activities could provide the stimulation necessary to revive moribund and collapsing local economies. As such, poorly-conceived counter-narcotic policies or drugs-insensitive development and peacebuilding policies may have the perverse effect of leaving people ‘further behind’. The target for this first policy brief is the **United Nations High Level Political Forum on Sustainable Development** in July 2019 in New York. This Forum was mandated in 2012, and has met annually since 2013, replacing the Commission on Sustainable Development.

Proposed content/outline of the Policy Brief

The Brief will be preface with a 1-page summary with very concise policy take-away bullet points for time-constrained policy makers. This will be followed by a more substantive 2 to 3-page overview, that also serve as a public statement and policy commentary that will draw selectively on cases and examples so far from the ongoing research to illustrate its points.

The main body of the brief will have 12-15 pages of text, structured along the following outline:

1. Introduction – why tackle illicit economies?

- The omission of illicit economies under the SDGs. The SDGs have 17 goals, 169 targets, and for each target 1-3 indicators (a total of 232 indicators) to measure progress on the goals. Except for a target (16.4) and an indicator (90) on illicit financial flows in Goal 16 (on peace, security and justice), there are no other explicit references to illicit economies in the scope of Agenda 2030. Illicit economies therefore will not be monitored and measured (unlike nutrition, access to health and education and other indicators), and as such remains a blind spot of sustainable development. This introductory paragraph(s) will explain why such omission undermines the commitments and ambition of Agenda 2030.
- Purpose of the Policy Brief – will present highlights and who it intends to engage. These paragraphs will explain how the Brief intends to answer the two key questions on how the international community could more effectively tackle illicit economies and what can be done to transform war to peace economies (full text of questions above).
- Short introduction to a ‘voices from the borderland’ analytical framework. The Borderland Biographies is an approach being developed by the on-going GCRF-ESRC Drugs and (Dis)Order Research Project to situate illicit drugs (and by extension, illicit economies) within the wider historical, political economy and socio-cultural context of borderland regions.
- Voices from Colombia. Christian Aid’s programme in Colombia is participating in the research. This section will highlight recent work from our programme, in particular a November 2018 workshops in Catatumbo and Sur de Bolivar in Colombia, where peasant leaders provided their own explanations of why illicit economies thrive and what is needed for a transition to happen.

2. Key issues – what are illicit economies and how could we best respond to it?

- The scale and urgency of the problem. This section will highlight new data (tables, charts, and figures) on illicit economies, drawing from papers presented in the April 2018 Illicit Economies Colloquium, and case studies published by Christian Aid, SOAS, and other researchers.
- Unintended consequences of illicit economies and prevailing attempts to deal with them. Drawing from the case studies, the impact and particularly the unintended consequences of illicit economies along with their associated development and governance dilemmas will be presented. To be included are assessments by the UNODC that the drug problem has been ‘contained but not solved’; and on how there have been unintended consequences – the huge criminal black market; policy displacement; geographic displacement; supply push and demand pull causes.
- Models for development: ‘seeing like a borderland’ rather than ‘seeing like a state’. This discussion will focus on what development may look like when seen from the point-of-view of those surviving in the borderlands who are not simply passive and static recipients of economic and political signals but are instead active agents creating their own version of political and social order while making tough choices and sacrifices in a constrained environment. This section will also tackle assumptions that need to be changed in order for Agenda 2030 to be more inclusive. For example, one assumption is that zones of conflict are only dangerous places of violence; but what happens when they are sources of both order and disorder? Often, state failure is blamed on low capacity and therefore, state-building is the solution. But what happens in situations where state failure is seen

by the local elite not as problems to be solved, and when there is implicit resistance to a stronger central state?

- Gender and livelihoods in illicit economies. This will discuss cases in Afghanistan and Colombia on the impact on gender of illicit livelihoods, and how borderland communities have responded. For example, women appear to be playing a larger role in transitions from war to peace economies. This is because there are plenty of single-parent households among communities displaced by conflict, and most of these are women-headed. In Afghanistan, work has been done on how to work with, rather than against, traditional institutions in getting buy-in to agree to more women participation in economic activities.
- Managing transitions to peace and security. This will discuss actual experiences of peacebuilding and peacemaking within contexts of illicit livelihoods, continuing displacement, and lack of stability. Key lessons from the Colombian peace process will be highlighted, the first peace agreement that has explicitly included the resolution of illicit economies in its agenda and explore the link with the drivers of transition to peace.

3. Conclusion: policy recommendations, next steps and a proposal for a set of indicators for SDG monitoring of illicit economies

There will be further discussions to finalise this concluding section. For the moment and for purposes of this ToR, it will do three things: a) restate the set of responses for tackling illicit economies that have already emerged; b) elaborate on what will be delivered further by the ongoing GCRF-ESRC Drugs and (Dis)Order research project in Afghanistan, Myanmar and Colombia, including identifying research and policy gaps; and c) propose a set of potential indicators for SDG measuring and monitoring of illicit economic activities. However, we can also consider instead the option of keeping recommendations broader – i.e. statements of principle geared for the High-Level Political Forum, that can then be taken forward for further elaboration with development agencies.

Format of tender

In responding to this invitation, tenders should provide the following information, striving for no more than 2,000 words:

- Name, address, telephone number and email address of tenderer, and website if any.
- The name and contact details of the person who will be responsible for the contract and for liaising with Christian Aid Ireland.
- Brief curriculum vitae for the individuals to be engaged by the tenderer in the delivery and management of the research project.
- A brief description and history of the tendering consultant including previous projects undertaken on illicit economies, development and peace specifically that are relevant to the proposal.
- Details of two relevant client referees for contracts undertaken within the last three years in areas related to the subject matter of this research project, or a brief description of research in comparable areas with peer reviewed publications.
- Confirmation of acceptance by the tenderer of the conditions of tender set out below.
- Confirmation that tenderer is in possession of a valid tax clearance certificate.

The tenderer shall submit an outline of the approach s/he proposes to pursue:

- A brief outline of the proposed approach to the project, including methodology and a brief work plan.
- Proposed timeframe for the project and measures in place to ensure project is completed within the agreed timeframe.

- Proposed fee for the project (indicating VAT), inclusive of expenses, costs, taxes or duties that may be incurred.
- Any other issues or information considered relevant.

General conditions of tender

- The proposal submitted, and any subsequent clarification discussions and written communications between the parties, will form the basis of a contract for services to be agreed between Christian Aid Ireland and the successful consultant.
- The successful consultant shall be responsible for the delivery of all services provided within the terms of the contract on the basis of the agreed fees set at the beginning of the contract.
- Christian Aid Ireland retains the right to withhold payment of fees where a consultant has failed to meet its contractual obligations in relation to the delivery of services to an acceptable level of quality.
- Any conflicts of interest must be fully disclosed by the tenderer to Christian Aid Ireland upon submission of tender.
- Christian Aid Ireland is not bound to accept the lowest tender or any tender offered.
- Christian Aid Ireland will not be liable for any costs incurred by tenderers in formulating or presenting proposals.
- Christian Aid Ireland and the tenderer undertake to ensure the confidentiality of information provided by either party in relation to this invitation to tender, subject to the parties' obligations under the law.

Budget

The guiding budget for this piece of work is £5,000.

Deadline

Tenders can be sent either via email or in hard copy to Christian Aid Ireland no later than **12 noon 06 March 2019**. Tenders should be addressed to: Eric Gutierrez egutierrez@christian-aid.org and Karol Balfe, kbalfe@christian-aid.org

Timetable

We invite consultants or academics to tender for this research and propose a relevant methodology and timeline.

A first draft should be completed by April 19th, with a final draft by early May 2019.

Project management

Christian Aid Ireland's Senior Policy Adviser on From Violence to Peace will be responsible for managing this project.

Qualifications and experience required

It is expected that the institution/consultant would have a high level of expertise and experience in the fields of illicit economies, enterprise development and/or peacebuilding. They must have significant experience in policy work related to contexts affected by violence with complex political contexts. They must have a high level of expertise in gathering and analysing qualitative evidence as well as a strong understanding of locally led and partnership-based approaches to development. A proven ability to work with a team of people towards a shared output is required as well as a clear willingness to adapt to local context, culture and working in challenging environments

Annex 1:

Christian Aid's involvement and track record of work on illicit economies

Since 2012, Christian Aid has commissioned case studies, held debates, and reached out to other organisations and academia to better understand illicit economies. In October 2015, it published four case studies and the [synthesis report](#) *Drugs and Illicit Practices: Assessing Their Impact on Development and Governance*, with the participation of the SOAS Department of Development Studies. A closed-door workshop followed in November 2016 in Bamako, Mali, published in the [report](#) *Challenges in the Sahel: Implications for Peace and Development in Fragile States*. In February 2017, a study tour of eight Colombian peasant leaders to the coca-growing areas of Bolivia was organised to know more about what mitigates violence and criminality in coca production.

Finally, a Colloquium on Illicit Economies was held on 19-20 April 2018, co-organised with SOAS, the University of Glasgow, and Germany's Agency for International Cooperation (GIZ). The 27 papers presented at the colloquium suggest that illicit economies are not 'accidents that happen' but are instead deliberate interventions in situations of state failures, governance vacuums, and market breakdowns that require further scrutiny and analysis. As Professor Alfred W. McCoy explained in his keynote speech, there is still a "lack of a model or theory for an in-depth understanding of the elusive, ever-changing details of illicit economies." Academia and development agencies, he suggested, should be examining "the deeper meaning of the character of illicit commodities", as well as "the implications of their phenomenal proliferation and persistence". He restated that illicit economic activities are economic foundations sustaining shadowy realms and recurring clandestine domains that are not simply criminal or law enforcement problems but are actually larger social and development issues.

Christian Aid complemented these policy research initiatives with programme development on the ground. Since 2012, its Colombia programme has partnered with peasant organisations and their support networks to not only explore the development of economic alternatives, but also to strengthen rule of law and human rights enforcement in the peasant reserve zones that were created by law since 1994. These zones were meant to stabilise local peasant economies adversely affected by rapid agricultural commercialisation, to limit the concentration of ownership of land, protect poor peasants from 'land grabs', and to prevent the displacement of the most marginalised peasant communities by more powerful market actors. These zones, however, have come to be characterised by violence and conflict, and it is not unusual that many of its occupants have resorted to illicit economic activities for survival.

In these zones, Christian Aid supported local partner organisations in the creation of community self-protection mechanisms and humanitarian spaces; the reactivation of displaced and depopulated villages; the constitution of collective land titles that established formal ownership; and the prosecution of perpetrators of displacement and injustice. Funding has now been provided, through Project NADIA, to seek ways to develop market systems for various licit commodities in ways that do not leave poor peasants behind or which deepen inequalities and marginalise the poorest. The intention is to make rural development and economic growth sustainable and inclusive, leading hopefully to a better quality and more resilient peace. It is based on Christian Aid's understanding that rural development is an evolving set of responses to state and market failures.