

A. INTRODUCTION

Origin of alternative development

As one of the three pillars of the international community's "balanced approach" towards drug control, alternative development, along with crop eradication and interdiction, has been a key supply reduction strategy for several decades. At its twentieth special session, devoted to countering the world drug problem together, the General Assembly defined alternative development as a "process to prevent and eliminate the illicit cultivation of plants containing narcotic drugs and psychotropic substances through specifically designed rural development measures in the context of sustained national growth and sustainable development efforts in countries taking action against drugs, recognizing the particular sociocultural characteristics of the target communities and groups, within the framework of a comprehensive and permanent solution to the problem of illicit drugs".¹

While this definition is used at the international level, different definitions reflecting new strategies and approaches towards alternative development have been developed by a wide variety of implementing countries, donors and practitioners. Alternative development is a concept in constant flux, as can be seen by the amount of international conferences, expert working groups and seminars at which ways to refine the concept and approaches of alternative development have been analysed and discussed in recent years.² At these events, best practices and lessons learned from implementing alternative development programmes while improving current alternative development policies and approaches have been identified and shared. At the same time, such events have sought to broaden the involvement of States Members of the United Nations in discussions on alternative development, satisfying the growing interest in this issue area in recent years. The adoption by the General Assembly of resolution 68/196, on the United Nations Guiding Principles on Alternative Development, was an important step in this process. An increasing number of countries are supporting or implementing alternative development interventions, and the importance of alternative development is reconfirmed each year through resolutions adopted by the Commission on Narcotic Drugs. During the Presidency of Germany of the Group of Seven in 2015, alternative development will be among three priorities in the field of fighting organized crime and terrorism, along with combating wildlife trafficking and countering the financing of terrorism.

As mentioned above, the other mutually reinforcing elements in the "balanced approach" to a reduction in drug supply are crop eradication programmes and law enforcement measures to counter illicit cultivation, production, manufacture and trafficking.³ Alternative development should be implemented in concert with broader drug control strategies of that nature, taking into account demographic, cultural, social and geographic considerations. But while such strategies are implemented at the national, regional or subregional levels, alternative development is predominantly aimed at small-scale farmers. Alternative development is aimed at identifying and helping to address not only the driving factors, but also the underlying root causes of the cultivation of illicit crops — lack of development, marginalization, poverty and, thus, overall human insecurity — and to do so in a sustainable way.

Alternative development continues to be relevant as long as drug crops are grown illicitly and development and security challenges that are specific to areas where drugs are cultivated remain. However, it offers no quick-fix solution to the supply side of the illicit drug economy as a stand-alone strategy. Previous evaluations of alternative development have already shown that success is very situation specific and that there are few, if any, practices that can be plugged into a template. As was noted in the *Report of the International Narcotics Control Board for 2005*, "there is no manual or definitive guidelines for alternative development".⁴ However, with the adoption of the United Nations Guiding Principles on Alternative Development, a set of general guidelines that contain good practices for planning and implementing alternative development now exist.

Purpose of alternative development

Alternative development is sometimes described as "conventional rural development applied to a drug-producing area", "development in a drugs environment" or "development-oriented drug control".⁵ This does not mean that the purpose of alternative development is limited to purely counter-narcotics objectives. National strategies may vary, but the specific purpose of alternative development in its present, broader meaning is to contribute to economic development (especially in rural areas) in order to target the underlying factors and root causes of illicit drug economies.

1 Action Plan on International Cooperation on the Eradication of Illicit Drug Crops and on Alternative Development (General Assembly resolution S-20/4 E).

2 Annex II (see the online version of this report) contains an overview of the most important events that have taken place since 2001.

3 See the Political Declaration adopted by the General Assembly at its twentieth special session (General Assembly resolution S-20/2, annex), para. 18.

4 E/INCB/2005/1, para. 23.

5 See David Mansfield, "Development in a drugs environment: a strategic approach to 'alternative development'", a discussion paper by the Development-oriented Drug Control Programme (DDC)" (Eschborn, Germany, 2006).



In contrast to development in general, the alternative development objectives of strengthening the economic and social development of the target areas are not, on the whole, an end in themselves; they are a way of approaching the objectives of reducing the supply of raw material for producing drugs and for re-establishing a legal economy in drug-producing areas. The way that the dual purpose of alternative development is approached differs from context to context. Some areas without illicit drug cultivation, but with a serious risk of developing it, may require a focus on traditional rural development. Such interventions have been included in alternative development programmes under the banner of “preventive alternative development”, showing how close alternative development and traditional rural development can be. Alternative development is aimed at contributing to an enabling environment for long-term rural development without illicit cultivation. Through its holistic approach, it plays the role of catalyst in boosting development in areas with particular challenges related to the illicit drug economy (drug trafficking, violence, weak rule of law, etc.), which are areas where few international development agencies operate.

The present chapter focuses on the strategy of alternative development and its relation to illicit crop cultivation and supply reduction. It begins with a review of how the approach and terminology surrounding alternative development have evolved since the 1970s, together with the implications of these changes, and strategic elements that have contributed to the success of alternative development interventions are identified and analysed. Special attention is dedicated to reviewing the indicators used to evaluate alternative development programmes and the findings of such evaluations, including with regard to how a programme can effectively contribute to an enabling environment in which illicit cultivation disappears over time, human development prospers and general economic development benefits both the individual and the community. Lastly, it is highlighted in this chapter how the alternative development approach relates to the rule of law, how it addresses the broader economy linked to illicit markets and how it relates to the wider development agenda. It is intended that this will provide a thorough contribution to the discussion on how alternative development can be taken forward in coming years.

B. SETTING THE SCENE

Emerging in the late 1980s from the more narrowly focused crop substitution initiatives of the 1970s and the integrated rural development approach of the 1980s, the concept of alternative development has been implemented around the world for over 40 years. Its evolution effectively began in Thailand in the 1960s, but it has also been implemented in the Andean region since the early 1980s, in the Lao People’s Democratic Republic, Lebanon, Morocco, Myanmar and Pakistan since the early 1990s and Afghanistan since the late 1990s.

The concepts of “crop substitution”, followed by “integrated rural development” and subsequently “alternative development”, were promoted by the United Nations Fund for Drug Abuse Control (UNFDAC),⁶ one of the predecessor organizations of the United Nations International Drug Control Programme (UNDCP) and the United Nations Office on Drugs and Crime (UNODC),⁷ which further refined the concept of alternative development. Alternative development initiatives are now applied in most of the main countries of illicit opium or coca production and to a lesser extent in areas where cannabis is cultivated.

There is no universal consensus on the precise meaning of the different concepts relating to alternative development. Overlap exists, official definitions are scarce, and individual authors emphasize different elements. In the first decade of the new millennium, some alternative development projects were called “alternative livelihood” projects,⁸ emphasizing the human dimension of those interventions. Others were categorized as “development-oriented drug control”,⁹ “rural development in drug-producing areas”,¹⁰ “regional development”¹¹ or “food security”¹² projects. Despite the variety of names employed, this chapter uses the term “alternative development”, which is the term generally accepted among States Members of the United Nations. It is the term used in the definition presented in the introduction and in the discussion below of the broad concept, which evolved to incorporate several new elements.

Crop substitution

The concept of crop substitution can be traced back to its origin in opium poppy-producing countries of South-East Asia and, later, South-West Asia. It was mainly a reaction to the unintended consequences of forced eradication.¹³

6 United Nations International Drug Control Programme, “Alternative development as an instrument of drug abuse control”, Technical Information Paper, No. 5 (1993).

7 In 1997, UNDCP and the Centre for International Crime Prevention (CICP) were merged to form the United Nations Office for Drug Control and Crime Prevention (UNODCCP), which was renamed UNODC in October 2002.

8 For example, the Alternative Livelihoods Program sponsored by the United States Agency for International Development (USAID), launched in December 2004, and the Research in Alternative Livelihoods Fund (for Afghanistan for the period 2004-2008), funded by the Department for International Development of the United Kingdom of Great Britain and Northern Ireland.

9 General Assembly resolution 68/196, para. 18 (u).

10 German Agency for International Cooperation (GIZ), “Rethinking the approach of alternative development: principles and standards of rural development in drug producing areas”, 2nd ed. (2013).

11 For example, the Chapare regional development project in the Plurinational State of Bolivia, which was initiated in 1983 by USAID and the Government of the Plurinational State of Bolivia.

12 For example, the UNODC food security programme for Myanmar, sponsored by the European Union, started in January 2009, and the Phongsaly alternative livelihood and food security project of UNODC, started in January 2011.

13 UNDCP, “Alternative development as an instrument of drug abuse control”.

One unintended result of forced eradication was that in some areas growers who received no assistance developed opposition to the Government and came under the greater influence of drug traffickers and insurgent groups, thus posing a potential risk to national security.¹⁴

Against that background, countries facing the problem of illicit opium poppy cultivation started to experiment with direct compensation schemes, that is, direct subsidies to farmers to keep them growing licit crops or encourage them to give up opium poppy cultivation. That approach largely failed as farmers migrated and started cultivating opium poppy elsewhere.¹⁵ Governments also started implementing crop substitution programmes. For example, Thailand started to adopt this approach in the late 1960s, introducing alternative crops and allowing for transition periods of six to eight years before undertaking eradication.¹⁶ The first crop substitution programme involving the United Nations started in Thailand in 1971, in line with the country's National Socioeconomic Development Plan, which was later followed by similar projects in Bolivia (Plurinational State of), the Lao People's Democratic Republic, Myanmar and Pakistan. In the 1980s, Colombia and Peru introduced compensation schemes.

The initial methodology promoted crops that would generate a level of income for the farmer that was similar to that earned from illicit crops, but that initial focus was very restrictive. The target areas were primarily traditional growing areas where subsistence economies prevailed. No provisions were made to link the production chain with value-added activities and markets. As new illicit crop production areas emerged, several of the underlying hypotheses were not valid or were only partially valid. Moreover, the initial successes of the narrow "crop substitution" approach often turned out to be of limited duration.¹⁷ It also became clear that without additional assistance to farmers to increase their participation in the value-added chain, alternative products were, in most cases, not competitive enough to create sustainable alternative livelihoods.

Integrated rural development

The initial approach was broadened in Asia in the 1980s, taking the form of the concept of "integrated rural development". At the international level, UNFDAC could be considered a pioneer in steering the concept of an "integrated approach". Recognizing the need for a comprehensive and balanced approach, in the late 1980s, UNFDAC

was the first agency to make use of the concept of master plans for drug-producing countries.¹⁸ By that time, countries were able to benefit from the lessons already learned to address some of the limitations of crop substitution. For example, in Colombia, the first interventions in the southern part of the Department of Cauca (1985) and the northern part of the Department of Nariño (1989) sought to incorporate a dual focus on crop substitution and integrated rural development.¹⁹ The early interventions in Peru, from 1985 onward, were not limited to crop substitution either, as the Andean countries, with support from UNDCP, were able to benefit from lessons learned in other countries. The Plurinational State of Bolivia gradually shifted from a crop substitution approach to a broader, integrated rural development approach from 1983 onward, complementing interventions focusing on the quality of life and investments in social and road infrastructure.²⁰

In the integrated rural development approach, there was a need to enable farmers in areas of illicit crop production to effectively compete, with their licit products, with well-established networks for production, distribution and marketing. Thus, economic and technical provisions had to be made to ensure the marketing, storage and transport of new products. The new concept of integrated rural development also sought to improve the overall quality of life of the target population by addressing not only income but also education, health, infrastructure and social services.²¹

That concept also sought to redress the narrow emphasis on crop substitution and instead promote the overall integration of traditional areas of cultivation into the economic and social mainstream. It combined relatively heavy infrastructure investment, such as road construction, to overcome the inaccessibility of certain areas, with a wide range of other inputs aimed at opening up remote and underdeveloped areas of traditional cultivation.²² In doing so, it consolidated crop substitution by combining it with a number of other initiatives, such as food-for-work schemes; various other new income-generating opportunities; social development initiatives aimed at improving education, health, access to potable water and sanitation;

14 Ibid.

15 Ibid., p. 18.

16 Ronald D. Renard, *Opium Reduction in Thailand 1970-2000: A Thirty-year Journey* (Chiang Mai, Thailand, Silkwood Books, 2001), pp. 69-80.

17 David Mansfield, "Alternative development: the modern thrust of supply-side policy", in *Bulletin on Narcotics*, vol. LI, Nos. 1 and 2 (1999), pp. 19-43.

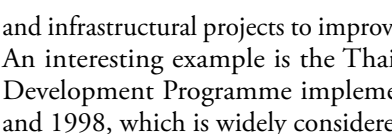
18 The concept of "integrated rural development" was also referred to in the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988, article 14, para. 3.

19 Carlos Zorro Sánchez, "Algunos desafíos del desarrollo alternativo en Colombia", *Pensamiento y Cultura*, vol. 8, No. 1 (2005), p. 112; Colombia, Department of National Planning, "Programa de desarrollo alternativo", document CONPES No. 2734 (Bogotá, 1994), sect. B.

20 See, for example, the *Proyecto de Desarrollo Regional Chapare* (1983-1992); Fernando B. Salazar Ortuño, "Límites de los programas de desarrollo alternativo" in *De la Coca al Poder: Políticas Públicas de Sustitución de la Economía de la Coca y Pobreza en Bolivia, 1975-2004* (Buenos Aires, Consejo Latinoamericano de Ciencias Sociales-CLACSO, 2008), p. 245.

21 UNDCP, "Alternative development as an instrument of drug abuse control".

22 Ibid.



and infrastructural projects to improve access to markets.²³ An interesting example is the Thai-German Highland Development Programme implemented between 1981 and 1998, which is widely considered a success.²⁴

Alternative development

At the local level, integrated rural development proved successful to an extent, not only in Asia but also in several coca-producing areas of the Andean countries. However, from a broader perspective, it could be observed in the late 1980s that illicit drug crop production was being relocated from areas typically affected by illicit cultivation to many new areas of cultivation, prompting a further reappraisal and refinement of the approach taken. It became clear that any narrow, microeconomic approach would be insufficient.²⁵ Instead, a broader rural development approach was required to address the factors driving cultivation in illicit drug economies, the lack of marketing infrastructure, public services and agricultural know-how, and the relative profitability of illicit crops compared with licit crops in these circumstances.

This resulted in an even broader strategy of “alternative development”, developed at the international level by UNFDAC in the second half of the 1980s, which sought to improve the integration of regional development assistance with law enforcement initiatives,²⁶ while promoting the appropriate coordination and sequencing of those interventions. Flexible law enforcement in countering illicit cultivation — with law enforcement interventions being carefully timed in order to be supportive of the development effort, and undertaken once the basic conditions for acceptable alternative living standards had been achieved — was considered to be an integral and fundamental part of alternative development. Alternative development interventions sought to have a more sustainable impact by creating local organizations and farmers’ associations to facilitate the production, distribution and marketing of products.

The alternative development approach also emphasized the need to integrate local alternative development activities into regional and national development efforts, in recognition of the fact that drug crop cultivation was intertwined with various development, security and governance-related issues that went well beyond the microeconomics and agronomy of coca, opium poppy and cannabis cultivation.²⁷ Against that background, a number of ini-

tiatives were developed in the attempt to integrate drug control, including alternative development, into broader national development plans, revive and expand the legal sectors of the economy and provide a framework for sound economic policies to generate demand for diversified economic growth and job creation.

Some alternative development programmes, in Thailand for example, had already successfully implemented such broader approaches from the 1970s onward under royally initiated projects and other programmes. In Colombia, a broader alternative development approach was initiated in 1990 in the departments of Guaviare, Caquetá and Putumayo under the auspices of UNDCP.²⁸ In Peru, the adoption of the alternative development approach started in 1995, building on the 10 years of lessons learned since the first crop substitution projects in 1985.²⁹ By the early 1990s, the Plurinational State of Bolivia had developed alternative development projects, based on lessons learned in the Chapare Region.³⁰

Alternative livelihoods

In the first decade of the new millennium, alternative development projects were sometimes also called “alternative livelihood” projects in an attempt to change the focus and emphasize the human dimension in the alternative development process. This concept became particularly popular in Afghanistan after the end of the Taliban regime (2001–2002) and was officially adopted in the 2006 Afghan National Drug Control Strategy. The aim of the alternative livelihood approach, as stated in the Strategy, was to strengthen and diversify alternative livelihoods that freed farmers and other rural workers from dependence on opium poppy cultivation and encourage the growth of the licit economy.³¹ In 2012, the National Alternative Livelihood Policy, developed by the Ministry of Counter Narcotics in collaboration with UNODC, was endorsed by the Government of Afghanistan and the international community. In other places, such as in the Andean region, the term “alternative livelihood” has not been widely adopted and “alternative development” is the name most commonly used to describe the approach taken, but that does not mean that the philosophy indicated by the term “alternative livelihoods” has never been introduced in Latin America.

23 Mansfield, “Alternative development: the modern thrust of supply-side policy”.

24 Renard, *Opium Reduction in Thailand 1970–2000*, pp. 95–97 and 109–111.

25 UNDCP, “Alternative development as an instrument of drug abuse control”.

26 Mansfield, “Alternative development: the modern thrust of supply-side policy”.

27 UNDCP, *Alternative Development in the Andean Area: The UNDCP Experience*, revised edition (United Nations publication, Sales No. E.01.XI.4).

28 Colombia, Department of National Planning, “Programa de desarrollo alternativo”.

29 *Alternative Development in the Andean Area: The UNDCP Experience*, revised edition.

30 For example, the USAID-funded projects under the 1991 alternative development strategy in areas such as Chapare and the associated Valles Altos; and USAID/Plurinational State of Bolivia, “Alternative development strategy” (1991), pp. 2–3.

31 Afghanistan, Ministry of Counter Narcotics, “National drug control strategy: an updated five-year strategy for tackling the illicit drug problem”, (Kabul, January 2006), p. 21.

Although very similar to “alternative development”, the concept of “alternative livelihoods” could be considered to put special emphasis on identifying the motivations and factors influencing household decisions before designing interventions. Broad-based rural development is necessary, but it does not in itself sufficiently address the specific drivers of opium poppy cultivation.³² While income generation is important, the alternative livelihood approach also looks at other “livelihood assets” such as health and education, access to land and water, livestock and forest resources, access to credit, tools, equipment, infrastructure and community support. Like alternative development, as that approach has been used in the past decade, the alternative livelihoods approach stresses integrating local development efforts and counter-narcotics objectives into broader national development strategies and programmes in an attempt to better respond to the underlying causes of drug-crop cultivation and to create links with the wider State-building agenda.

A concept in flux

In practice, the distinction between the alternative development and the alternative livelihoods approach is not always clear-cut. Several of the new ideas found in the alternative livelihoods approach have found their way into projects that continue to be called “alternative development”. At the same time, many of the interventions officially labelled as “alternative livelihood” interventions have, in practice, had approaches similar to alternative development interventions,³³ as they consisted of single-sector development initiatives. The 2006 Afghan National Drug Control Strategy made a specific reference to alternative livelihoods as the main approach to addressing illicit cultivation.³⁴ Meanwhile, other strategies, such as the approaches adopted by the European Union, Colombia and Peru, continue to use the concept of alternative development to address underlying drivers of illicit cultivation (for example, marginalization and poverty) in a way that is very similar to the alternative livelihoods approach.³⁵ This confirms that in practice the distinction between the two concepts is increasingly blurred.

Geographical location of alternative development

A total of 23 countries reported to UNODC that they had implemented alternative development programmes during the period 2010-2013.³⁶ Those countries include all of the main coca-producing countries (Bolivia (Plurinational State of), Colombia and Peru), the two main opium-producing countries (Afghanistan and Myanmar) and a number of other countries with illicit opium production (including Egypt, the Lao People's Democratic Republic, Pakistan, Thailand and Viet Nam). Alternative development initiatives were also implemented in some of the cannabis-producing countries (notably Morocco and, to a lesser extent, Indonesia and the Philippines).

That number also included other countries in South America (Ecuador and Venezuela (Bolivarian Republic of)), which reported mostly “preventive alternative development”, in Central America (El Salvador and Guatemala), the Caribbean (Trinidad and Tobago), Asia (Malaysia) and a few countries in Africa. In addition, Albania, Côte d'Ivoire, India, Mexico and Nigeria have plans to implement alternative development activities. Map 1 shows the countries that implemented domestic projects during the period 2010-2013.

Resources allocated to alternative development

Beneficiaries of alternative development

There are numerous challenges in identifying the budgets allocated to alternative development interventions and in calculating the number of their beneficiaries. A further problem, in comparing data at the international level, is that the definition of alternative development differs from country to country. Moreover, in a number of cases, alternative development projects form part of broader rural development programmes and/or are implemented by various national and international organizations. As a result, it is often the case that data of this nature are not collected in a comprehensive manner at the national level. Although alternative development programmes today are increasingly supported by national strategies and national budgets, data that quantify the magnitude of alternative development interventions are scarce.

Table 1 reflects the limited information available on national budgets allocated to alternative development in 2013 and on beneficiaries. Intended beneficiaries of alternative development received, on average, direct and mainly indirect in-kind benefits of an annual value of a few hundred dollars for each family cultivating illicit crops. The percentage of national budgets allocated to alternative development, in the main coca-producing countries, ranged from the equivalent of 5 per cent to almost 30 per cent of the income derived from illicit cultivation.

32 David Mansfield and Adam Pain, “Alternative livelihoods: substance or slogan?” Briefing Paper Series (Kabul, Afghanistan Research and Evaluation Unit, October 2005), p. 10.

33 Ibid.

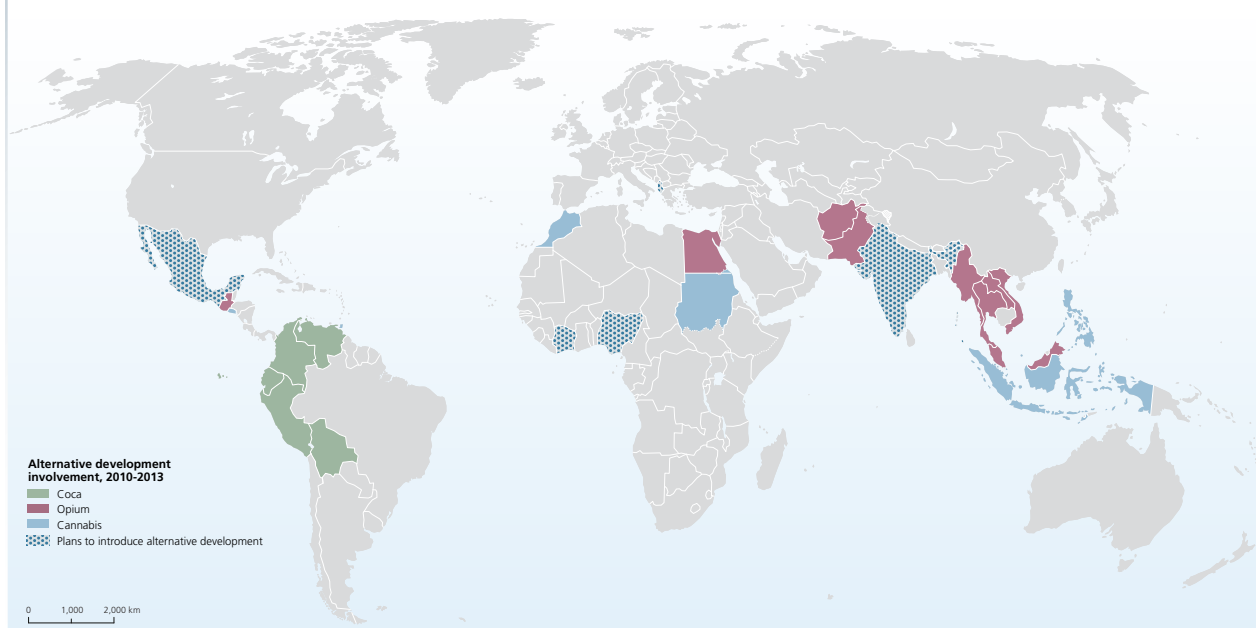
34 Afghanistan, Ministry of Counter Narcotics, “National drug control strategy: an updated five-year strategy for tackling the illicit drug problem”, p. 40.

35 Council of the European Union, “The EU approach on alternative development”, Cordroge No. 44 (18 May 2006); Peru, Office of the President of the Council of Ministers and the National Commission for Development and Life without Drugs (DEVIDA), *Estrategia Nacional de Lucha contra las Drogas 2012-2016* (February 2012); Colombia, Department of National Planning, *Política Nacional de Erradicación Manual de Cultivos Ilícitos y Desarrollo Alternativo para la Consolidación Territorial*, document CONPES No. 3669 (Bogotá, 2010), p. 8.

36 See the methodology section in the online version of this report.



MAP 1. Member States implementing domestic alternative development projects (as reported to the United Nations Office on Drugs and Crime), 2010-2013



Sources: UNODC annual report questionnaire and UNODC alternative development projects. Only countries providing sufficient information on the implementation of alternative development projects are included.

Note: The boundaries shown on this map do not imply official endorsement or acceptance by the United Nations. Dashed lines represent undetermined boundaries. The dotted line represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Jammu and Kashmir has not yet been agreed upon by the parties. The final boundary between the Sudan and South Sudan has not yet been determined.

TABLE 1. Beneficiaries of alternative development programmes, estimated number of households that illicitly cultivate drug crops, farmers' income from illicit crops, and national alternative development budgets, 2013 (unless otherwise indicated)

Country	Estimated number of households involved in illicit cultivation ^a	Farmers' total income from cultivation of coca or opium (millions of dollars)	Beneficiaries of alternative development (number of households) ^a	Domestic budget for alternative development (millions of dollars)	Domestic alternative development, as percentage of illicit crop income
A. Asia (illicit opium production)					
Afghanistan	b	950	–	–	–
Myanmar	–	540	–	–	–
Lao People's Democratic Republic	–	42	–	–	–
B. Latin America (illicit coca production)					
Peru	121,000 (2013)	496	72,000 (2013)	48	10
Colombia	61,700 (2013)	313	156,000 ^c (2003-2013)	92	29
Bolivia (Plurinational State of)	–	283	60,000 ^d (2009-2014)	14	5

Sources: UNODC, *Afghanistan Opium Survey 2013* (Vienna, December 2013); UNODC, *Southeast Asia Opium Survey 2013*; UNODC, *Perú Monitoreo de Cultivos de Coca 2013*, June 2014; UNODC, *Colombia Coca Cultivation Survey 2013* (June 2014); UNODC, *Estado Plurinacional de Bolivia Monitoreo de Cultivos de Coca 2013* (June 2014).

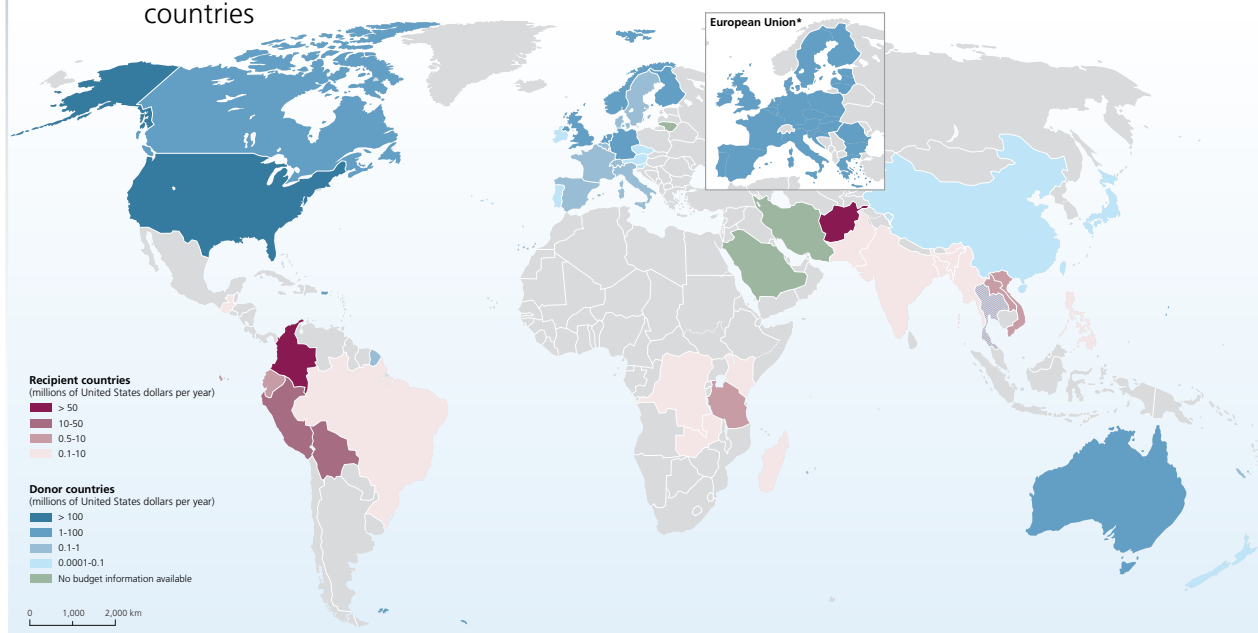
a Showing year of estimate in parenthesis.

b No data were available for 2013; latest available data were for 2010 (248,700 households); between 2010 and 2013 the areas under opium cultivation increased, however, by 70 per cent and by more than 80 per cent by 2014.

c This total includes beneficiaries of preventive alternative development (households not directly involved in coca cultivation) during the period 2003-2012.

d As reported by the Vice-Ministry of Coca and Integral Development; in the light of the number of households that live in coca-producing regions, this figure suggests that practically all farmers living in areas of coca cultivation benefited from alternative development interventions.

MAP 2. International assistance to alternative development, 1998-2013: average annual commitments made by donor countries for alternative development, and the main recipient countries



Sources: OECD Creditor Reporting System Aid Activities database and UNODC annual report questionnaires. The map indicates only those countries receiving assistance valued at more than \$100,000 per annum.

* In addition to individual EU Member States, the European Union is also a major donor of alternative development assistance.

Note: The boundaries shown on this map do not imply official endorsement or acceptance by the United Nations. Dashed lines represent undetermined boundaries. The dotted line represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Jammu and Kashmir has not yet been agreed upon by the parties. The final boundary between the Sudan and South Sudan has not yet been determined. A dispute exists between the Governments of Argentina and the United Kingdom of Great Britain and Northern Ireland concerning sovereignty over the Falkland Islands (Malvinas).

General overview of donor contributions to alternative development

Over the past four decades, alternative development has largely been funded by external donors, including countries of the Organization for Economic Cooperation and Development (OECD) in North America, Europe and Oceania, and non-OECD countries such as China, Iran (Islamic Republic of), Saudi Arabia and Thailand (see map 2). In recent years, there has been a trend towards more project funding by countries that were traditionally recipients of such assistance, such as Bolivia (Plurinational State of), Colombia, Peru and Thailand.

Magnitude of funds allocated to alternative development by donors

The level of funds allocated by donors to alternative development can be considered an indication of the importance that the international community has attached to this strategy.

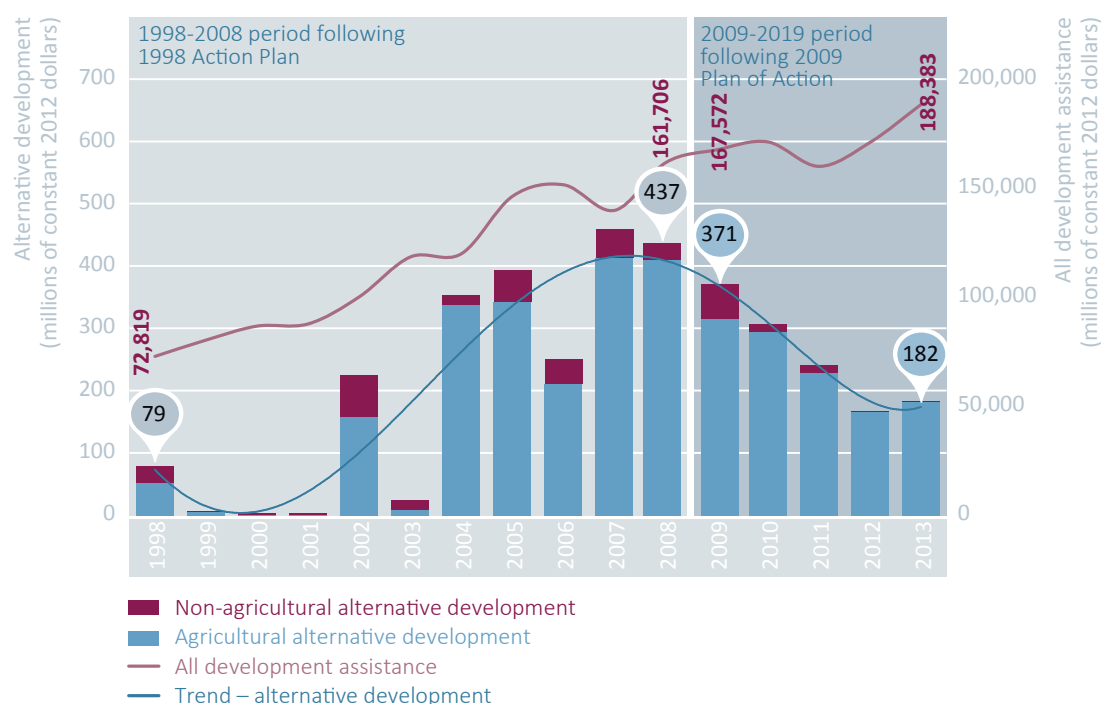
Most available financial data on alternative development are currently provided by OECD donor countries. However, those data only partially reflect the overall efforts undertaken in this area as there are additional donors from among non-OECD countries, and national efforts made by the recipient countries are not included in those statistics. That latter factor does not create much of a problem in the analysis of alternative development activities in low-

income countries, but in middle-income countries the discrepancies between donor-funded and overall alternative development activities can be substantial.

According to the OECD International Development Statistics,³⁷ in the period from 1998, when the Political Declaration and its associated Action Plan on International Cooperation on the Eradication of Illicit Drug Crops and on Alternative Development were adopted by the General Assembly, to 2013, global commitments by OECD countries for providing alternative development in developing countries amounted in total to, on average, \$219 million per year (as expressed in 2012 dollars), of which 89 per cent was for agriculture-related alternative development and 11 per cent was for non-agriculture-related alternative development activities such as income opportunities in other sectors, social and physical infrastructure and non-agricultural training and capacity-building. The statistics cited above do not include alternative development projects funded by non-OECD countries, such as China, Thailand and some of the Gulf countries.

37 A first review of such statistics and a historical overview of the involvement of the OECD Development Assistance Committee in alternative development and narcotics control activities can be found in William Hynes and Deborah Alimi, "Why illicit drugs cannot be ignored in the post-2015 development agenda", document DCD/DAC/GOVNET (2014) 7, revised edition (November 2014).

FIG. 1. Trends in global commitments to providing development assistance and alternative development made by donor countries of the Organization for Economic Cooperation and Development, 1998-2013



Source: OECD, International Development Statistics online database (data extracted on 19 December 2014).

Despite decades of discussion about alternative development being a key pillar of drug control at the national and international levels, the overall amounts committed by OECD countries for alternative development in the period 1998-2013 were very low in comparison to the amounts committed as part of general development cooperation. Alternative development commitments accounted for just 0.2 per cent of overall global development assistance (\$133 billion per year), or 3.6 per cent of assistance directed towards agriculture, and they were the equivalent of 12.3 per cent of the amount committed to rural development.

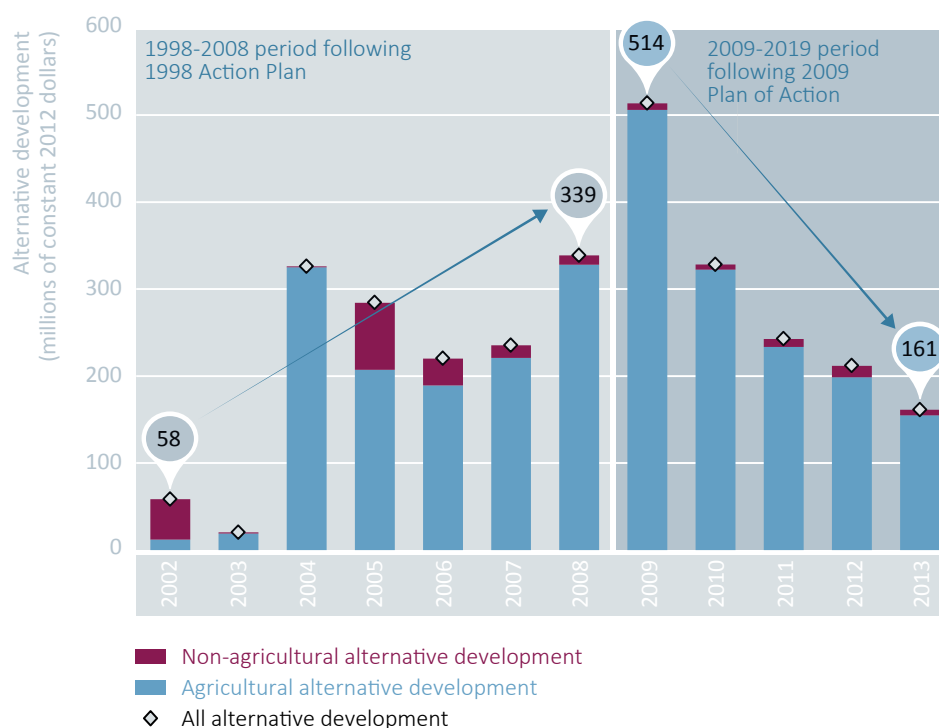
The funds actually spent were of a magnitude similar to the commitments. Data in that regard, however, were available for a more limited time frame, with \$245 million per year having been spent by OECD donors over the period 2002-2013, equivalent to 0.2 per cent of all disbursements related to development assistance.

Data on donor commitments show that the agreement reached by countries in the Political Declaration adopted by the General Assembly at its twentieth special session and the Action Plan on International Cooperation on the Eradication of Illicit Drug Crops and on Alternative Development had a tangible impact in promoting the allocation of donor resources for alternative development. Global alternative development commitments made by the OECD countries rose more than five-fold between 1998 and 2008. However, the subsequent Political Dec-

laration and Plan of Action on International Cooperation towards an Integrated and Balanced Strategy to Counter the World Drug Problem, adopted by the General Assembly in 2009, was not followed by a similar increase: financial commitments fell by 51 per cent between 2009 and 2013 (see figure 1). That decline cannot be attributed to any general decline in resources made available by OECD donors because overall OECD donor commitments continued to increase during that period. As a consequence, the proportion of overall development assistance that was alternative development assistance, which had increased from 0.1 per cent in 1998 to 0.3 per cent in 2008, fell back to 0.1 per cent of overall development assistance by 2013.

Data on actual disbursement of funds show a trend similar to that on commitments (see figure 2). Two possible explanations for that trend are: (a) that the initial momentum created for alternative development in 1998 was not maintained after 2009; and (b) that alternative development assistance was — as actually requested in the 2009 Political Declaration — partly mainstreamed and integrated into broader regional development plans and thus some interventions might no longer have been categorized as “alternative development”. Annual commitments designated for the category of “rural development” in the period 2009-2013 were 50 per cent greater than in the period 1998-2008. That increase may have compensated for the decrease in the resources allocated to the category of “alternative development” between 2009 and 2013.

FIG. 2. Trends in gross disbursements of alternative development provided by donor countries of the Organization for Economic Cooperation and Development, 2002-2013



Source: OECD, International Development Statistics online database (data extracted on 19 December 2014).

A decrease in assistance from external donors does not necessarily result in a decrease in a country's overall financial resources for alternative development. For example, Bolivia (Plurinational State of), Colombia and Peru substantially increased their allocation of national resources to alternative development and, through that increased domestic funding, countered the decline in donor resources, thus maintaining sustained financial support for alternative development on their own territory.

Average annual development assistance reported by OECD donor countries, as related to "narcotics control"³⁸ (excluding alternative development), was far lower in the period 2009-2013 than the period 1998-2008 (89 per cent lower) (see figure 3), mainly reflecting a downward trend that began in 2007.

Principal alternative development donors

Identifying the principal donors of alternative development assistance is challenging, as statistics may be affected by the different categories that countries use for their allocation funds. Statistics in this regard should therefore be

used only to identify the largest donors in this area, rather than be taken as an exact measurement.

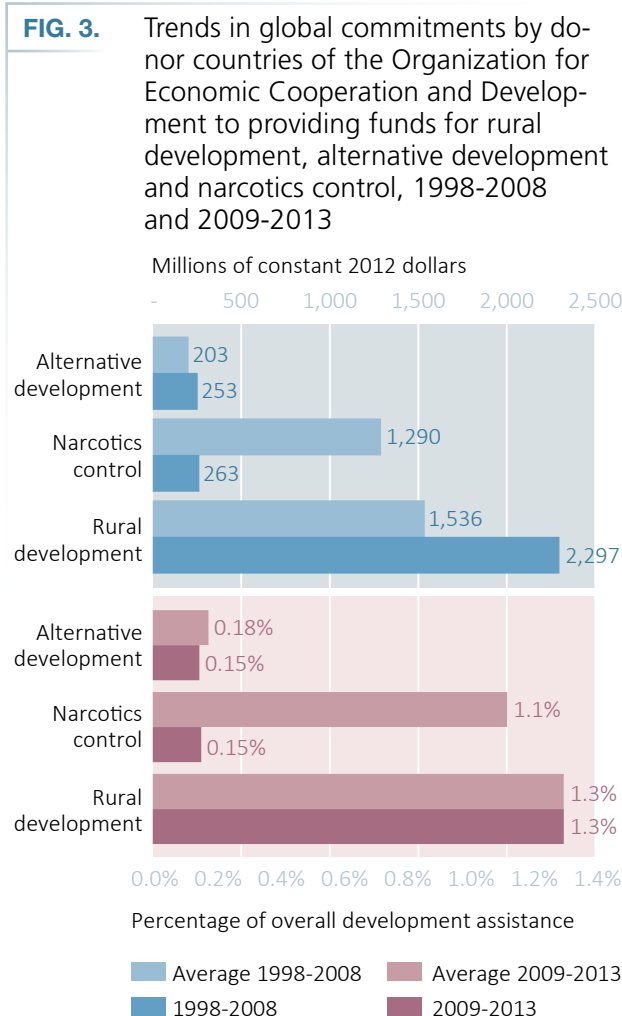
According to OECD international aid statistics (its Creditor Reporting System), of the 28 countries belonging to the OECD Development Assistance Committee,³⁹ 19 countries provided "agricultural alternative development" over the period 1998-2013, totalling, on average, \$195 million per year for the OECD donors, compared with the assistance provided by 14 OECD countries over the period 1998-2008 totalling \$176 million per year. The major donors appear to have been the United States, followed by European Union institutions, Canada and some individual European countries, notably the Netherlands and Germany. A similar picture emerges with respect to funds actually disbursed.

The amounts spent on assistance designated as "non-agricultural"⁴⁰ alternative development over the period

38 The figures for the category "narcotics control" include "development-related" anti-narcotics activities such as educational programmes and awareness-raising campaigns to restrict distribution of illicit drugs, as well as training of police and customs officers. Not included here are donor activities to destroy crops, interdict drug supplies or train and finance military personnel in anti-narcotics activities. See the purpose codes of the OECD Creditor Reporting System Aid Activities database (valid for reporting up to and including 2014 flows), available at www.oecd.org.

39 The 28 countries of the OECD Development Assistance Committee are Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, the Republic of Korea, Luxembourg, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom and the United States. In addition, the European Union is a member of the Committee.

40 The application of the "non-agricultural alternative development" category has been prescribed in OECD Creditor Reporting System purpose codes (valid for reporting up to and including 2014 flows; available at www.oecd.org), to be applied for "projects to reduce illicit drug cultivation through, for example, non-agricultural income opportunities, social and physical infrastructure".



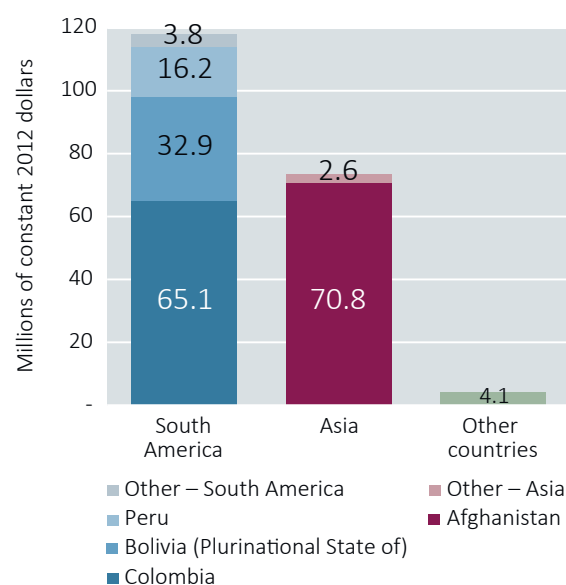
Source: OECD, International Development Statistics online database (data extracted on 19 December 2014).

1998-2013 amounted to \$23.2 million per year, which was significantly less than the amounts spent on “agricultural alternative development”. The annual amounts spent on “non-agricultural alternative development” over the 2009-2013 period were almost 40 per cent lower than over the 1998-2008 period. The major contributors were the United Kingdom of Great Britain and Northern Ireland and the United States, followed by European Union institutions, Finland and Australia.

Main recipients of agricultural alternative development funds

Based on OECD development aid statistics on funds committed to agricultural alternative development assistance over the period 1998-2013, the largest shares of donor assistance, as shown in figure 4, were committed to countries in South America (118 million constant 2012 dollars or 60.4 per cent of the total), notably Colombia (33.3 per cent), Peru (16.8 per cent) and the Plurinational State of Bolivia (8.3 per cent), followed by countries in Asia (37.6 per cent), most notably Afghanistan (36.2 per cent). Statistics on disbursements (i.e. funds actually spent) show a

FIG. 4. Agricultural alternative development assistance committed by donor countries of the Organization for Economic Cooperation and Development, by recipient country, annual average in the combined period 1998-2013



Source: OECD, International Development Statistics online database (data extracted on 19 December 2014).

similar pattern. Far smaller amounts were received by the Lao People’s Democratic Republic, Myanmar and Thailand. While the Lao People’s Democratic Republic and Myanmar are largely dependent on foreign assistance, Thailand has been able to finance the bulk of its requirements for alternative development from local resources, and some of its alternative development projects have even become economically self-sufficient.

Comparing the period 2009-2013 (following the 2009 Political Declaration and Plan of Action) to the period 1998-2008 (following the twentieth special session of the General Assembly), funds committed by international donors to agricultural alternative development increased in Afghanistan (from \$64 million per year in the period 1998-2008 to \$85 million per year in the period 2009-2013) and in Colombia (from \$52 million to \$94 million), while they decreased in Peru (from \$35 million to \$28 million) and the Plurinational State of Bolivia (from \$17 million to \$14 million).

Gross disbursements for agricultural alternative development decreased by two thirds between 2009 and 2013 in the four main recipient countries (see table 2), with the strongest decline in the Plurinational State of Bolivia (98 per cent). In some countries, the resources allocated to alternative development projects did not decrease, however, as additional domestic funds (particularly in the Andean region) compensated for some of the decline in funds from external donors.

TABLE 2. Gross disbursements for agricultural alternative development assistance by donor countries of the Organization for Economic Cooperation and Development, 2009-2013, and of alternative development assistance by national authorities in 2013

	Agricultural alternative development disbursement from external sources (millions of constant 2012 dollars)							Alternative development reported by national authorities (2013) (millions of constant 2012 dollars)
	2009	2010	2011	2012	2013	Average 1999-2013	Percentage of total	
Afghanistan	266.4	161.2	104.6	86.8	43.1	132.4	46.8	–
Colombia	118.2	73.1	51.1	58.0	77.8	75.7	26.7	92
Peru	28.1	29.6	28.6	27.8	25.6	27.9	9.9	48
Bolivia (Plurinational State of)	37.8	36.7	21.3	8.3	0.6	21.0	7.4	14
Subtotal	450.6	300.6	205.7	180.9	147.0	257.0	90.8	
Other developing countries	55.4	21.7	27.7	17.9	7.9	26.1	9.2	
All developing countries	506.0	322.3	233.4	198.7	155.0	283.1	100.0	

Sources: OECD, International Development Statistics online database (data extracted on 19 December 2014); UNODC, annual reports questionnaire; Colombia, Ministry of Justice and Law, Division for Programmes to Combat Illicit Cultivation, Administrative Unit for Territorial Consolidation, October 2014.

TABLE 3. Gross disbursements for agricultural alternative development assistance made by Organization for Economic Cooperation and Development donor countries, expressed as a proportion of gross domestic product, period 2009-2013, and alternative development from domestic sources, expressed as a proportion of gross domestic product, 2013

	Agricultural alternative development assistance							Alternative development assistance
	From external sources (percentage of recipients' gross domestic product)							From domestic sources (percentage of recipients' gross domestic product)
	2009	2010	2011	2012	2013	Average 1999-2013		2013
Afghanistan	2.10	1.17	0.72	0.52	0.25	0.88		–
Colombia	0.05	0.03	0.02	0.02	0.03	0.03		0.03
Peru	0.02	0.02	0.02	0.02	0.02	0.02		0.03
Bolivia (Plurinational State of)	0.25	0.23	0.13	0.05	0.00	0.12		0.08
Subtotal	0.12	0.07	0.05	0.04	0.03	0.06		–
Other developing countries	0.0004	0.0002	0.0002	0.0001	0	0.0002		–
All developing countries	0.004	0.002	0.002	0.001	0.001	0.002		–

Sources: OECD, International Development Statistics online database (data extracted on 19 December 2014) and World Bank, World Development Indicators (data extracted on 30 December 2014) and reports by national authorities to UNODC.

Putting donor assistance into perspective

Amounts received from external sources and allocated for alternative development purposes have so far been rather modest when compared with the gross domestic product (GDP) of recipient countries and overall alternative development assistance provided by the domestic authorities in drug-producing countries. Expressed as a proportion of overall economic activity, gross donor disbursements of agricultural alternative development funds amounted, on

average, to just 0.06 per cent of GDP in the four main recipient countries over the period 2009-2013, with the largest proportion reported in Afghanistan (0.9 per cent of GDP). Moreover, the proportion in all four main recipient countries declined from an average of slightly more than 0.1 per cent of GDP in 2009 to 0.03 per cent in 2013 (see table 3).

Expressed as a proportion of overall development assistance, “agricultural alternative development” accounted

TABLE 4. Gross disbursements for agricultural alternative development assistance provided by donor countries of the Organization for Economic Cooperation and Development as a proportion of total development assistance, 2009-2013, as a percentage of total development assistance

	Gross disbursements (percentage of total development assistance of recipient country)					Average 2009-2013
	2009	2010	2011	2012	2013	
Afghanistan	4.6	2.4	1.6	1.3	0.8	2.1
Colombia	11.8	7.4	4.9	7.2	8.9	8.0
Peru	4.1	3.7	3.6	4.9	4.8	4.1
Bolivia (Plurinational State of)	5.2	4.1	3.0	1.2	0.1	2.8
Subtotal	5.5	3.2	2.3	2.1	2.0	3.0
Other countries	0.04	0.02	0.02	0.01	0.00	0.02
Total	0.4	0.2	0.2	0.1	0.1	0.2

Source: OECD, International Development Statistics online database (data extracted on 19 December 2014).

for an average of 3 per cent of all development assistance in the four main coca-producing and opium-producing countries in the period 2009-2013 (see table 4).

Gross disbursement of alternative development funds in the six main opium-producing and coca-producing countries amounted to close to \$150 million in 2013. This was equivalent to 6 per cent of farmers' total income from opium and coca production (\$2.6 billion) in those six countries in 2013 (varying from 0.1 per cent in Myanmar to 25 per cent in Colombia). In some cases, assistance provided to the beneficiaries of alternative development interventions was sufficient to make a difference, although the data also indicate that when the value of interventions lay below certain thresholds, they had insufficient impact.

C. ANALYSIS OF NATIONAL ALTERNATIVE DEVELOPMENT STRATEGIES

National alternative development strategies

The review of national alternative development strategies shows that the evolution of alternative development at the country level is dynamic and versatile. Yet not all countries that implement or support alternative development have separate, stand-alone alternative development strategies or action plans. Most countries, in fact, make alternative development one of the pillars of a broader drug control strategy. Based on country-specific information provided to UNODC through the annual report questionnaires for the period 2010-2013, and other communications, table 5 shows, by category, countries that support, plan to support or implement alternative development projects in one way or another. Summary tables of national strategies can be found in the annex of the online version of this report.

When it comes to national strategies, almost all countries state that the impact of programmes is assessed in terms

of the eradication of extreme poverty, gender equality and women's empowerment, and environmental sustainability (as reported in the annual report questionnaires, 2010-2013). All national strategies — characterized by cross-ministerial engagement — are embedded in or linked to broader national development strategies, albeit in different ways. For example, in Afghanistan, the strategy is linked to the National Development Strategy, but it falls under the counter-narcotics strategy. In Colombia, the strategy for alternative development is embedded in the National Policy of Territorial Consolidation and Reconstruction, implemented by the Administrative Unit for Territorial Consolidation. Colombia's current national strategy has a cross-cutting focus combining supply reduction (reduction of illicit crops), alternative development and environmental management.⁴¹ This allows for the incorporation of new policy elements — and therefore more government institutions join the efforts to reduce illicit cultivation — in the search for an increasingly integral drug control policy.⁴²

In Ecuador, alternative development is embedded within the national strategy of equality and solidarity. In the Lao People's Democratic Republic, the drug control strategy is closely related to the overarching objective of poverty reduction. In Morocco, where alternative development falls under national drug control strategy, *l'Initiative Nationale de Développement Humain* contributes to the improvement of development indicators in the areas concerned. In the Plurinational State of Bolivia, the strategy for alternative development is embedded within the broader rural development plans, but with the specific objective of limiting coca cultivation to designated areas for the legal use of coca leaves. In Germany, the support

41 Colombia, Department of National Planning, *Política Nacional de Erradicación Manual de Cultivos Ilícitos y Desarrollo Alternativo para la Consolidación Territorial*, p. 9.

42 Ibid.

TABLE 5. Countries involved in alternative development, 2010-2013^a

Countries with alternative development programmes or projects on their soil	Afghanistan, Bolivia (Plurinational State of), Colombia, Indonesia, Lao People's Democratic Republic, Myanmar, Morocco, Peru, Philippines and Thailand
Countries with a strategy or national plan to support alternative development abroad ^b	Bolivia (Plurinational State of), Canada, China, Denmark, Ecuador, Finland, Germany, Iran (Islamic Republic of), Italy, Japan, Lithuania, Netherlands, ^c New Zealand, Peru, ^d Saudi Arabia, Thailand, United Kingdom and United States
Countries that implement or support preventive alternative development	Afghanistan, Canada, China, Colombia, Denmark, Ecuador, Finland, France, Italy, Indonesia, Japan, Morocco, Peru, Thailand, Trinidad and Tobago, Tunisia, United Kingdom, United States, Uruguay, Venezuela (Bolivarian Republic of) and Viet Nam
Countries with a stand-alone national alternative development strategy	Bolivia (Plurinational State of), China, Ecuador, Germany, Guatemala, Indonesia, Morocco, Pakistan, Peru, Philippines and Thailand
Countries with an alternative development strategy within a broader national economic development plan	Colombia, Mexico, Myanmar, Trinidad and Tobago and Viet Nam
Countries planning to implement or support alternative development interventions	Albania, Côte d'Ivoire, Guatemala, India, Mexico, Nigeria and Russian Federation

a Only countries that provided some details about their alternative development strategy, programme, plan or activities have been included.

b Canada, Denmark, Finland, Iran (Islamic Republic of), Lithuania and the United Kingdom all report that at least part of this support is to address illicit opium poppy cultivation in Afghanistan.

c The Netherlands has no specific alternative development strategy but contributes to various projects that are part of wider economic development programmes to improve security and stability in regions with illicit cultivation.

d Peru supports countries abroad through the regional framework of the Andean Community.

strategy for alternative development is completely embedded within a broad strategy of social economic development in rural areas.

In line with the Millennium Development Goals, all country strategies address food security and quality of life in terms of broader socioeconomic indicators. They all focus in one way or another on establishing farmers' organizations and include local communities in the design, planning, implementation and evaluation of programmes and often have a specific focus on ethnic minorities or indigenous peoples.

On a broader level, all national strategies or plans reviewed in this section clearly have a balanced approach, complementing alternative development with other supply reduction strategies (particularly law enforcement and interdiction), but also with drug demand reduction strategies (prevention, treatment and rehabilitation). Other commonly integrated strategies — sometimes as a cross-cutting theme or as a separate policy — are promoting good governance and strengthening State institutions or the rule of law, as found in the strategies of 12 countries.

The objectives of national strategies are in line with international documents. They sometimes relate to crop substitution or other agricultural production-related elements such as marketing (found in at least seven countries), or to policies for crop eradication and prevention and addressing the drivers of illicit cultivation (in nine countries). Some strategies also introduce new approaches and link alternative development to quality of

life, human rights, the rule of law or environmental protection (seven countries).

Overall, national strategies are in line with the definition of alternative development found in the Action Plan on International Cooperation on the Eradication of Illicit Drug Crops and on Alternative Development, adopted at the twentieth special session of the General Assembly. However, countries set very different priorities and use very different approaches, both within and beyond their drug control components. This leads to the development of very different projects and interventions that are tailored to existing and new challenges that require multidimensional, multifaceted responses.

The wide range of national strategies and the variety of ways they are implemented on the ground confirm that the evolution of alternative development is driven at the country level or even the local level. At the international level, a process of connecting “local to global” is currently taking place, in which best practices and lessons learned from local experiences within national strategies — which will probably continue to be very different in years to come — are exchanged. That process reinforces efforts by UNODC, the Commission on Narcotic Drugs and other entities to foster more South-South cooperation, as also recommended in the United Nations Guiding Principles on Alternative Development.⁴³

43 See para. 14.



PREVENTIVE ALTERNATIVE DEVELOPMENT IN ECUADOR

In Ecuador, preventive alternative development consists of measures to enhance the inclusion of the local community in productive, socioeconomic and environmental protection projects, so as to reduce the vulnerabilities that lead to their involvement in illicit activities. At present, Ecuador has preventive alternative development projects in six regions. For example, in Engunga, in the Province of Santa Elena, preventive alternative development is focusing on reactivating the cultivation of shrimp on six shrimp farms (covering 29 ha). The income generated for 840 families has also made it possible to invest in three microprojects — a community shop, a recreational centre and a pharmacy — while investing in tourism (tours using small boats). The next steps are to scale up the shrimp farms, create a brand (and certification of the status of “preventive alternative development”) and enter the national and international markets for frozen shrimp.

Another project consists of establishing a cacao-processing plant in the area of 18 de Noviembre in the Province of Sucumbíos. The first step was the creation of a farmers’ association of 100 founding members and the placing of 1 ha of land in the name of the association to build the plant, which is currently at the financing stage. A collection centre will also be created so that the processed cacao can be sold directly to private companies without going through intermediaries in the marketing chain. It is expected that 1,800 families will benefit from the plant, and that the cacao, which is certified as a product of “preventive alternative development”, will reach both national and international markets.

In 2012, Ecuador made a presentation to the Commission on Narcotic Drugs on the concept of introducing a global stamp for products of alternative development, which would strengthen international marketing opportunities for alternative development products bearing the stamp. Products marketed under the global stamp could benefit from special marketing regimes, similar to those for Fairtrade and organic products, stressing the product’s origin and its links with strategies for addressing illicit cultivation and/or environmental protection.

Preventive alternative development

Some countries have a particular focus on preventive alternative development. However, the policy of Ecuador focusing on rural development is, for example, very different from the preventive policies of Trinidad and Tobago targeting urban youth within the prevention strategy linked to drug trafficking and other crimes. Elsewhere, the link between alternative development and drug trafficking in Indonesia is interesting as it moves the alternative development strategy away from the general focus on farmers in rural areas. Another example of an alternative development intervention that does not target farmers who cultivate coca, but rather adopts preventive alternative development strategies, is the assistance given to communities in the Ciénaga Grande of Santa Marta in Colombia. Largely dependent on fishing and fish farming⁴⁴ and located on strategic routes for trafficking Colombian cocaine to the Caribbean Sea, these communities have been the victims of conflict between paramilitary and guerrilla forces, and members of the communities have been recruited, sometimes by force, by drug traffickers and/or illegal armed groups. The aim of preventive alternative development interventions is to prevent such situations, in addition to boosting socioeconomic development.

D. CHALLENGING CONTEXT OF ALTERNATIVE DEVELOPMENT

Expectations about the impact of alternative development programmes should take into account the limitations of such programmes, which are characterized by relatively modest funding and a limited scope and which face challenges that general rural development programmes normally do not. One such challenge is the nature of the locations where alternative development programmes are implemented: marginalized, isolated areas with limited government control, unclear land rights and lack of infrastructure. Another is the poor conditions of beneficiaries (conditions of poverty and marginalized communities with low socioeconomic indicators, whose members sometimes live in fear of violence, along with other tensions) and the lack of understanding or trust between beneficiaries and other involved parties, such as governmental agencies. These conditions are very relevant as they would generally disqualify such areas as targets for traditional rural development initiatives.

Marginalization and poverty

Alternative development programmes often involve beneficiaries that are marginalized — socially, economically or geographically — from the main societal groups and suffer from poor socioeconomic conditions. This may involve a “marginalized zone within a marginalized region”, such as the municipality of La Asunta in Los Yungas de la Paz, in the Plurinational State of Bolivia, which is poor, difficult to access and highly dependent on coca cultivation.

44 Colombia, Department for Social Prosperity and the Administrative Unit for Territorial Consolidation, “Pescadores de los palafitos de la ciénaga grande pasaron de víctimas a productores”, August 2013. Available at www.consolidacion.gov.co.

MYANMAR: REDUCING THE IMPORTANCE OF OPIUM AS A SOURCE OF INCOME BY BALANCING SHORT-TERM FOOD SECURITY NEEDS WITH LONG-TERM SUSTAINABILITY

In Myanmar, the average area of poppy cultivation per opium poppy-growing household more than doubled, from 0.17 ha in the period 2002–2003 to 0.43 ha in 2013, which implies an increased dependency on opium cultivation. Socioeconomic village surveys conducted in connection with the annual opium poppy survey show that significantly higher proportions of households are in debt and are exposed to food insecurity in opium poppy-growing villages than in non-poppy-growing villages. Opium cultivation provides a means of earning cash income to purchase food in months when a household's food resources have been depleted. Moreover, wages earned from labour related to opium poppy cultivation are an important source of additional income for many households. That fact should be taken into account when designing alternative development projects, because a reduction in opium poppy cultivation not only results in a loss of income from opium production but also removes an opportunity to generate income from wage labour.^a

While previous interventions mainly addressed food insecurity, the recently developed UNODC alternative development project in South Shan, Myanmar,^b has shifted the focus to a longer-term sustainable approach that balances the cultivation of permanent crops in agroforestry systems with the production of high-value food crops and reforestation activities to ensure environmental sustainability. Lessons learned and successful experiences from other parts of the world, in particular Peru and Thailand, were instrumental in defining this new approach.

The strategy will include a land registration and titling process to assure the long-term investment of farmers in the project. To improve and assure food security for beneficiary farmers, permanent crop systems will be implemented, together with short-term food crops. Productive activities will be oriented towards high-quality products so as to reach premium markets, and farmer enterprises will be set up so that farmers can assume future processing and commercializing activities themselves. The project will be carried out in former or ongoing conflict areas, and the planned alternative development work is also intended to contribute to a peacebuilding process in the respective areas.

a UNODC, *Southeast Asia Opium Survey 2013* (Bangkok, 2013).

b UNODC project proposal on alternative development in South Shan townships affected by opium poppy cultivation, 2015–2017.

tion.⁴⁵ It may also involve marginal ethnic groups in isolated areas, such as the Hmong, Karen, Akha and Lisu ethnic groups in the Highlands of Thailand, a country in which alternative development has been accompanied by a State policy of integrating such ethnic groups into society through development and better access to education, health care and other necessary infrastructure.⁴⁶ Similarly, in Colombia, the Kogui, Arhuaco, Kankuamo and Wiwa indigenous communities, among others, are or have been beneficiaries of alternative development. In addition, many beneficiaries of alternative development programmes are migrants or the descendants of migrants. Thus, problems associated with migration need to be considered when programmes are implemented. For example, a survey conducted in the coca-producing valleys of Peru in 2013 found that only 38.4 per cent of the heads of beneficiary households were born in the region, while 61.6 per cent of beneficiaries were from other regions.⁴⁷

While not all illicit cultivation is driven by poverty, most areas where illicit crops are grown are characterized by poverty.⁴⁸ This applies to coca-producing countries in South America, cannabis resin-producing countries such as Morocco, and opium-producing countries in Asia, notably Afghanistan, the Lao People's Democratic Republic, Myanmar and Pakistan. Beneficiary populations are rarely homogeneous but they often consist of people who can be considered to be “those at the bottom of the social pyramid”.⁴⁹ They tend to be small-scale subsistence farmers working on small plots of land (a few hectares or less) that they do not legally own, artisanal fishermen, handicraft workers or land labourers.⁵⁰

In remote areas of Myanmar, opium is primarily cultivated as a cash crop to compensate for financial shortfalls and is often grown because few alternative crops are available and due to the need to provide basic necessities for fami

45 Daniel Brombacher, “Informe final: asesoría de proyecto—recomendaciones para el establecimiento de una línea de base”, report on project BOL/I79 (sustainable and integrated management of natural resources in the tropics of Cochabamba and the Yungas of La Paz) (Eschborn, GIZ, 28 April 2011), sect. 1.1.

46 Renard, *Opium Reduction in Thailand 1970–2000*, p. 167.

47 DEVIDA, *Encuesta Anual de Evaluación de Impacto del Desarrollo Alternativo 2013*.

48 Transnational Institute, *Bouncing Back: Relapse in the Golden Triangle* (June 2014), pp. 7 and 65.

49 Regional evaluation report, alternative development in the South American Andes: report of findings, input for *Alternative Development: A Global Thematic Evaluation—Final Synthesis Report* (United Nations publication, Sales No. E.05.XI.13).

50 Mansfield, “Development in a drugs environment: a strategic approach to ‘alternative development’”, p. 5.

In the short term, alternative development is also about food security. A beneficiary in the Sierra Nevada of Santa Marta, Colombia, says: "One of the conditions was substituting illicit crops with food crops and rearing small animals such as pigs and chickens; we all started to plant plantain, cassava, squash, papaya, castor bean and cacao."⁵¹ A farmer in the Lao People's Democratic Republic who actively participated in project activities in Oudomxay Province that were aimed at improving rice production⁵² explains, in answer to a question on whether he would continue to adopt the techniques introduced under the project and plant hybrid rice even though he found it not as tasty as the local variety: "Definitely, I will adopt and sell the rice for profit, then buy for our consumption, it's not that difficult. The most important thing is that we have high production so that we have enough rice for the year round."

lies.⁵³ Overall income levels in the northern part of the Lao People's Democratic Republic and northern Thailand (the main opium-producing areas in those two countries) are lower than in other parts of the countries. Similarly, the main cannabis cultivation areas in Morocco are located in the Rif Region, one of the country's poorest regions, where farmers cultivating cannabis were found to earn less than the average income.⁵⁴ In Peru, the Human Development Index, which combines statistics on life expectancy, education and income, showed that indices of development were, on average, 60 per cent higher in non-coca-cultivating districts than in coca-cultivating districts in 2012. Moreover, overall improvements as measured by the Human Development Index were stronger in districts without coca cultivation than in corresponding areas of coca cultivation (0.08 points).⁵⁵ In the Plurinational State of Bolivia, the main coca-producing centres, Yungas de La Paz and Trópico de Cochabamba, are also located in provinces with below-average incomes. Similarly, in southern Afghanistan, where the country's opium production is concentrated, the overall per capita income of farmers was below the national average in 2013.⁵⁶

Isolated areas with limited government control, often affected by tension, insecurity and conflict

One of the key particularities and difficulties of alternative development in comparison to development efforts in general is that the illicit cultivation of drugs often takes place in areas with weak rule of law and where there is a

"need to achieve socioeconomic pacification and stabilization of the areas affected by the domination and violence of drug traffickers" or illegal armed groups.⁵⁷ As many areas of illicit cultivation are isolated and often plagued by ethnic and other conflicts or political instability, government control over them is limited. This means that people in such areas have limited or no access to basic services including education, sanitation and health care.⁵⁸ According to one evaluation report, "conflict deriving from social decomposition [is] endemic to communities with illicit crops, but overt violent conflict deriving from the drug trade and criminality, or from insurgent movements, is not uncommon".⁵⁹

It is therefore often difficult to justify development assistance on purely economic grounds in such isolated areas.⁶⁰ Alternative development activities are sometimes the only institutionalized development interventions in such regions. By bringing in a State presence and development assistance, alternative development can open the door to the introduction — or reintroduction — of the rule of law in areas outside national government control. A good example is Thailand, where many of the initial interventions in highland tribe areas were prompted by national security concerns, and thus had as a key initial objective to "instil a feeling of loyalty to Thailand among the hill tribes"⁶¹ through development programmes to integrate marginalized populations into mainstream society. Over the subsequent decades, the economic well-being of the hill tribes clearly improved, partly due to alternative development, as did the rule of law situation in those regions.⁶² Similarly, a household survey among farmers in Peru, done as part of global evaluation of alternative development, found that peace and security, two preconditions of effective rule of law, were the most often-cited major long-term impacts of alternative development (88 per cent). The thematic evaluation of alternative development in Colombia indicated that alternative development actually helped create and sustain a "culture of legality" in the intervention areas.⁶³

In areas where there is violence in the context of organized crime or armed conflict by groups aimed at bringing down

51 UNODC and Acción Social, *Voces del Campo Joven: Crónicas de Líderes Jóvenes Campesinos*, Mónica Cortés Yepes and Francisco Duque Quintero, eds. (Bogotá, 2009), p. 38.

52 Project XSPK26, implemented by UNODC in Oudomxay Province, with financial assistance from Germany.

53 UNODC, *Southeast Asia Opium Survey 2014* (Bangkok, 2014), p. 60.

54 UNODC, "Morocco cannabis survey 2004: executive summary" (May 2005).

55 UNODC, "Analytical brief: coca crops and human development" (February 2014).

56 UNODC and Ministry of Counter-Narcotics of Afghanistan, *Afghanistan Opium Survey 2014*, February 2015.

57 *Alternative Development in the Andean Area: The UNDCP Experience*, revised edition, p. 7.

58 UNODC, *World Drug Report 2000* (United Nations publication, Sales No. GVE.00.0.10), p. 142.

59 Regional evaluation report, alternative development in the South American Andes: report of findings, input for *Alternative Development: A Global Thematic Evaluation—Final Synthesis Report*, p. 9.

60 UNDCP, "Alternative development as an instrument of drug abuse control".

61 Director General of the Public Welfare Department (1964), quoted in Renard, *Opium Reduction in Thailand 1970-2000*, p. 47.

62 Renard, *Opium Reduction in Thailand 1970-2000*.

63 UNODC, "Alternative development programme in Colombia: independent evaluation" (Vienna, November 2014).

the government and/or controlling territory (such as the Shining Path in Peru, the Revolutionary Armed Forces of Colombia (FARC), ethnic insurgent groups in Myanmar and Taliban and other non-State armed groups in Afghanistan), the effectiveness of alternative development has been questioned.⁶⁴ As a result, since 2007, the Government of Colombia has paid more attention to the role of illicit drugs as an instrument used by illegal armed groups to maintain control over territories where the State has no presence. Part of the rationale behind the new policy was the perceived lack of sustainability of both crop eradication and alternative development efforts.⁶⁵ The Colombian Government deemed that those efforts had suffered from weak State presence and support⁶⁶ and that the problem was not so much a result of the ineffectiveness of crop eradication or alternative development in itself, but due more to the fact that citizens were unable to exercise their rights and benefit from basic services of the State.⁶⁷ Similar experiences have been reported in Afghanistan. A recent evaluation report found the following:

The counter-narcotics and development effort in Nangarhar has also fallen into disarray. Since 2013 eradication has been all but impossible in many of the southern districts where the crop has been concentrated. The kind of strategy used in each of the previous bans imposed in Nangarhar, where farmers were deterred from planting using a combination of negotiation, the promise of development assistance and the show of force through the roll-out of security personnel and infrastructure, is no longer an option. The failure to deliver on past promises, the harmful impact that successive bans had on large sections of the rural population, and a perception that government forces do not have sufficient coercive power to impose their will without the support of United States military forces, has rendered this approach unworkable, especially in the unruly southern districts where the Afghan State does not have a history of control.⁶⁸

The new drug control model in Colombia provides an interesting example of the role that alternative development may play in such difficult areas. In 2007, the Macarena Integral Consolidation Plan was implemented as a pilot project for what would later become the national policy for territorial consolidation and reconstruction. The pilot project treated the control of territory, by illegal

armed groups in particular, as the root of the problem.⁶⁹ In areas where there is a lack of State presence and control, armed groups can use their control over territories in a predatory manner by illegally exploiting communities and economic resources.

Another important factor that can explain the link between conflict and illicit cultivation is that beneficiaries may be migrants who have voluntarily migrated or been forcibly displaced from other areas because of threats, violence or conflict and have had to find livelihoods in new areas. Alternative development interventions subsequently have to take into account the weak social fabric and lack of trust found in such areas. As explained in an evaluation of alternative development in the South American Andes:

This historical dynamic, steeped in violence, has given rise to an individual psychology whose essence is fear and deep mistrust ... directed not only at the “outsider”, which includes a State that has long neglected its rural citizens, but also at others in the community.⁷⁰

The existence of indirect and direct linkages between conflict and illicit drug cultivation, whether related to social strife, migration or the presence of illegal armed groups, means that alternative development must also deal with conflict mitigation or resolution. Depending on the local context, this may mean that the support strategy of alternative development helps households and communities cope with the causes and consequences of conflict.

E. DRIVERS OF ILLICIT CULTIVATION

No single factor can explain why farmers grow illicit crops. Illicit cultivation is driven by situation-specific combinations of vulnerability and opportunity factors. As survival and subsistence are real considerations for many households that engage in illicit crop cultivation, they are frequently risk-averse and take a variety of elements into account when they make decisions on narcotic crop cultivation. Alternative crop cultivation depends on many factors: possession of the requisite skills and knowledge for growing such crops; geographical and environmental factors, such as climate, the availability of water and arable land, and proximity to market; household-specific socioeconomic factors, such as level of income, existing employment opportunities, access to credit and size of landholding; developmental facilities such as access to roads, the power grid and educational and health services; and sociopolitical and institutional factors, such as security, government control and rule of law.

64 Regional evaluation report, alternative development in the South American Andes: report of findings, input for *Alternative Development: A Global Thematic Evaluation—Final Synthesis Report*, pp. 4-5.

65 Colombia, Department of National Planning, *Política Nacional de Erradicación Manual de Cultivos Ilícitos y Desarrollo Alternativo para la Consolidación Territorial*, p. 29.

66 Colombia, Centre for the Coordination of Integrated Action, “Plan de consolidación integral de la Macarena” (Bogotá, August 2008).

67 Ibid.

68 David Mansfield, *Examining the Impact of IDEA-NEW on Opium Production. Nangarhar: A Case Study* (2015).

69 Colombia, Centre for the Coordination of Integrated Action, “Plan de consolidación integral de la Macarena”, pp. 3-5.

70 Regional evaluation report, alternative development in the South American Andes: report of findings, input for *Alternative Development: A Global Thematic Evaluation—Final Synthesis Report*, p. 5.



INCOME GENERATION

Many factors influence the decision to cultivate illicit crops. Income generation, particularly differences in the income derived from licit and illicit crops, is just one element in a complex mix of monetary and non-monetary incentives, but it can explain some of the fluctuations in illicit cultivation.

In Afghanistan, for example, the ratio of income per hectare from opium cultivation to income per hectare from wheat cultivation, which can be interpreted as an indicator of the appeal of cultivating opium poppy, was close to 10:1 during the 2004-2007 period (\$5,200 per ha under poppy cultivation versus \$545 per ha under wheat cultivation in 2007). During that period, the area under poppy cultivation in Afghanistan increased by 47 per cent. By 2009, the ratio of income from opium cultivation to income from wheat cultivation per hectare had declined to 3:1 (\$3,600 vs. \$1,200); in parallel, the area under opium poppy cultivation in Afghanistan had fallen by 36 per cent between 2007 and 2009. In subsequent years, the ratio increased again to 4:1 (\$3,800 vs. \$1,000 in 2014), even reaching a proportion of 11:1 in 2011, prompting a strong increase in opium poppy cultivation. During the period 2009-2014 as a whole, the area under opium poppy cultivation rose by 82 per cent.^a

Similarly, strong declines in coca prices in Peru after 1994 (from approximately \$4.40 per kg in 1994 to \$0.50 in 1996, before rising to \$1.60 in 1999), which were a consequence of a policy to stop illegal air traffic between Peru and Colombia, prompted a reduction in the area under coca cultivation by 66 per cent during the period 1995-1999. Subsequent coca price increases (to \$3.90 per kg by June 2011), as alternative outlets had been found by traffickers, prompted coca cultivation to increase again by 61 per cent between 1999 and 2011.^b

The importance of income generation is also reflected in the socioeconomic surveys conducted by UNODC in individual countries to identify the reasons why farmers cultivate illicit crops. The *Afghanistan Opium Survey 2014*, for example, revealed that the main reasons for cultivating opium were the high price of opium (44 per cent of all responses), followed by the ability of opium poppy to reduce poverty, i.e. provide "basic food and shelter" (20 per cent), and to "improve living conditions" (13 per cent). A UNODC survey conducted in Colombia also identified "source of income" as the main reason for farmers' engagement in the cultivation of illicit crops (71 per cent), followed by arguments of "traditional cultivation" (7 per cent), the problem of "access to markets" to sell licit products (5 per cent) and "pressure by armed groups to cultivate illicit crops" (2 per cent).

There have been a few instances in which the income generated by alternative agricultural products (such as palm oil in the Andean countries;^c saffron and, in some years, black cumin, grapes, apricots, pomegranates and almonds in Afghanistan;^d and potatoes, red cabbage, tomatoes and Japanese apricots in Thailand)^e turned out to be higher than that from illicit crops, yet some farmers still opted for illicit cultivation. Possible explanations provided by experts and in evaluation documents included the following: (a) farmers were not convinced that such price differentials would last for a prolonged period of time; (b) there were risk considerations in taking the licit harvest to traders in the next town (as opposed to traders coming to villages and purchasing illicit crops directly from the farmers); (c) farmers were forced by the insurgency to continue planting illicit crops; (d) the initial funds needed for the investment in licit crops were rather large and yielded returns only after a certain period of time; and (e) there was a lack of recognized land titles, which fostered a tendency towards farmers taking a short-term approach in their decision-making processes.

a UNODC and Ministry of Counter Narcotics of Afghanistan, *Afghanistan Opium Survey 2014: Cultivation and Production* (November 2014).

b UNODC, *World Drug Report 2012* and previous years.

c UNODC, *Sharing Experiences on Alternative Development from Southeast Asia and Latin America* (2009).

d UNDCR, *Afghanistan Alternative Development Report #1: On-Farm Income Opportunities in Maiwand, Khakrez and Ghorak* (Islamabad, 2000).

e *World Drug Report 2000*.

While the risk factors for illicit cultivation vary from region to region, the specific nature of illicit crops with respect to agronomic aspects, durability of the product, price and ease of sale, among other things, tends to be one of the reasons for their cultivation. All major illicit crops are also particularly attractive because they produce quick returns from non-perishable products. In Afghanistan, opium provides a convenient, portable and durable store of value for rural households, which is particularly con-

venient in an insecure and uncertain environment. Opium is also an important, if not the only, means of accessing rural credit; its cultivation seems to be intrinsically linked to informal rural credit in source areas, where opium cultivators gain preferential, if not sole, access to informal credit arrangements.⁷¹ In the Lao People's Democratic

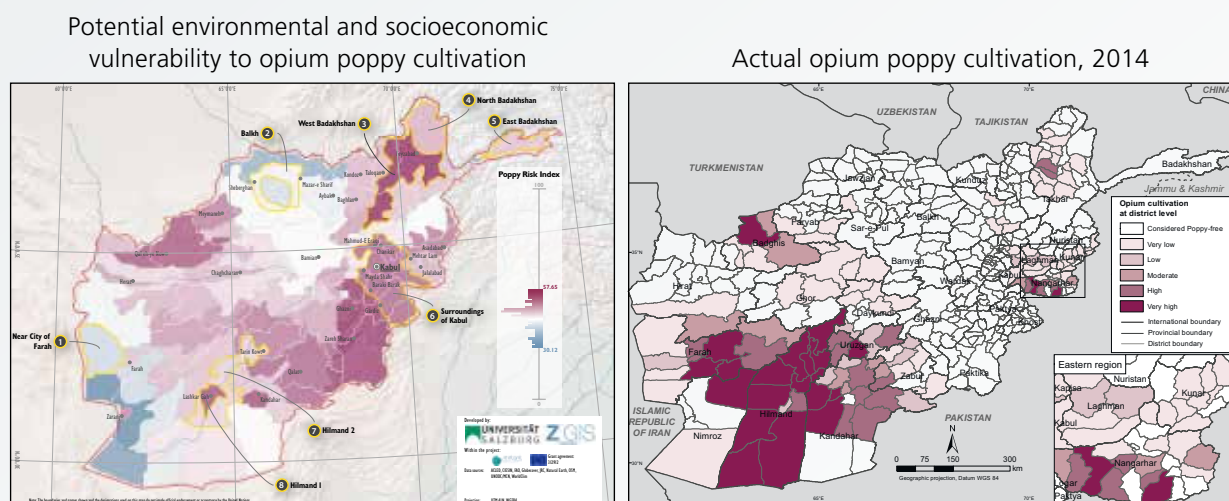
71 UNODC, *The Opium Economy in Afghanistan: An International Problem* (New York, 2003).

ENVIRONMENTAL SUITABILITY AND SOCIOECONOMIC VULNERABILITY MODELS FOR OPIUM POPPY CULTIVATION IN AFGHANISTAN

In cooperation with the University of Salzburg (Austria), UNODC has developed an environmental suitability model and a socioeconomic vulnerability model for opium cultivation. The former includes four variables: land use (land cover), water availability, climatic conditions and quality of soil. The socioeconomic vulnerability model considers nine indicators: governance (recognition of governor authority), stability (conflict incidents), location (peripheral versus central regions), accessibility (travel time to nearest city of more than 50,000 inhabitants), education (access to schools), awareness (of agricultural assistance and initiatives designed to convince farmers not to cultivate opium poppy), alternative (off-farm) employment opportunities, credit availability and poverty.

These models were applied to Afghanistan, where a comparison with the actual areas under opium poppy cultivation in 2014 showed that many of the hotspots for opium poppy cultivation were located in the areas identified as potentially high-risk areas in the resulting environmental and socioeconomic risk maps. At the same time, the results of the risk assessment identified a number of additional areas, particularly in the south-eastern and northern parts of the country, that are potentially vulnerable to large-scale opium cultivation but have so far not turned out to be significant opium-producing regions.

Risk maps and actual opium poppy cultivation in Afghanistan in 2014



Source: Afghanistan Opium Survey 2014: Cultivation and Production.

Note: The boundaries shown on this maps do not imply official endorsement or acceptance by the United Nations. Dashed lines represent undetermined boundaries. The dotted line represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Jammu and Kashmir has not yet been agreed upon by the parties.

The risk maps also show that the risk factors behind opium cultivation vary from region to region, with the principal ones being environmental suitability, socioeconomic vulnerability, security/rule of law issues (as insecurity continues to be highly correlated with opium cultivation) and opium prices. For example, in selected areas of Badakhshan Province (north-eastern Afghanistan), the role played by environmental conditions, particularly climate, in deterring farmers from cultivating opium appears to have had more of an impact than the socioeconomic factors that can push farmers to cultivate opium. In selected areas of Nangarhar Province (southern Afghanistan), there was a comparatively low risk of opium cultivation resulting from socioeconomic vulnerability, yet there was still an increase in opium cultivation in 2014. This implies that other drivers play a role in opium cultivation, thus requiring more of a political response as opposed to purely development-related measures.

Although certain areas of the Provinces of Farah and Balkh (northern Afghanistan) have similar levels of risk of opium cultivation, despite great variations in their levels of socioeconomic vulnerability and environmental suitability, their respective outcomes in terms of opium cultivation are completely different: the area around Balkh is poppy-free, while Farah is one of Afghanistan's main poppy-producing provinces.



RISKS AND VULNERABILITIES RELATED TO ILLICIT COCA BUSH CULTIVATION IN COLOMBIA

In close cooperation with the Colombian authorities, UNODC has also embarked on a novel approach to identifying risks and vulnerabilities related to illicit cultivation of coca bush. Focusing on statistics relating to the dynamics of coca cultivation, the UNODC Integrated System for Monitoring Illicit Crops in Colombia has developed an *índice de amenaza* (hazard index) for the presence of coca in municipalities in Colombia. The main logic behind this index is the observation that the spread of coca cultivation, though highly dynamic, still tends to be a rather gradual process, mainly spreading from existing areas under coca cultivation where accumulated know-how and similar socioeconomic and political conditions exist. The factors included in this index are: (a) the affected area (hectares of crops plus areas of manual eradication and aerial spraying); (b) persistence; (c) expansion; (d) concentration; (e) replanting; and (f) abandonment of coca fields over the years.

With regard to coca cultivation, the above was subsequently complemented with an *índice de vulnerabilidad* (vulnerability index), with vulnerability being understood as the condition that defines the degree of exposure to the threat of illicit crop cultivation and the actual capacity to prevent, resist and recover from the establishment of such illicit crops. It has been measured in terms of governance (tax income, dependence on transfers), social development (health, education), economic development (savings, Internet use), availability of justice, security (incidents) and human crisis (forced displacement/expulsion). The two indices were then combined into an overall risk map of the threats and vulnerabilities to coca cultivation.

Mapping the risk of cultivation on the basis of the two indices reveals that, out of 1,121 municipalities, 280 (roughly 25 per cent of the total) showed a threat or were identified to have been vulnerable to the cultivation of illicit crops in 2013. This included 45 municipalities (4 per cent of the total) which showed a “high risk” in terms of threats or vulnerability and 147 municipalities (13 per cent of the total) which had a “middle-high” risk of being affected by illicit crop cultivation.

The two main areas under illicit cultivation, the Departments of Nariño and Putumayo (bordering Ecuador), are among the regions showing the highest index numbers for threats and vulnerabilities.

Similarly, the neighbouring Department of Caquetá and the Departments of Meta and Guaviare (central Colombia), which for years have been among the most prominent coca-growing regions, have been identified as high-risk areas. Potential risk areas have been also identified in several central and northern parts of the country, including the Department of Antioquia and the neighbouring regions and departments along the Atlantic coast, all of which have shown ongoing coca cultivation and involvement in cocaine trafficking. In addition, there are a number of other regions in Colombia that show a high risk potential, notably in the eastern and south-eastern parts of the country, which have so far not been among the main coca-producing areas.

Republic and Myanmar, opium serves as a means of obtaining credit during times of food scarcity.

Relationships between “drivers” and illicit crop cultivation are not necessarily linear. This means that a single factor can, under specific circumstances, be a driver of increases in illicit drug cultivation, although under different circumstances the very same factor may also turn out to limit or even reduce the spread of illicit crop cultivation. Improved irrigation can generally be expected to lead to an increase in licit cultivation, although, depending on the circumstances, it may also contribute to an increase in illicit cultivation. For example, assessments of a rural development programme in Afghanistan aimed at increasing agricultural production, mainly by supporting micro, small and medium-sized enterprises, found that an exclusive focus on expanding the licit economy, without assessing how the combination of different interventions targeted in the same geographic location would have an impact on different population groups, their household assets, and their decision to cultivate opium poppy, may

have resulted in some of the development investments being used to cultivate greater amounts of higher-yielding opium poppy.^{72,73}

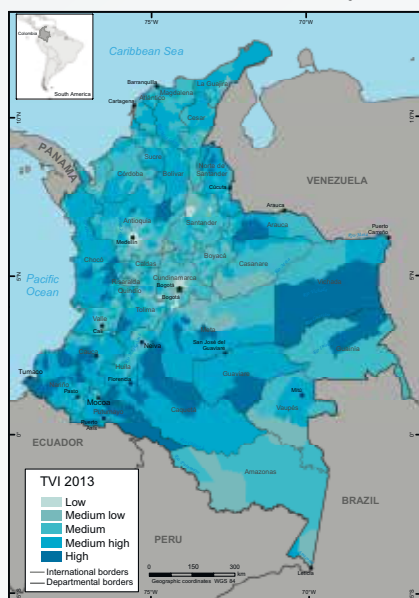
UNODC, in close cooperation with research institutes and national authorities, has started to engage in the development of specific models to identify the suitability and vulnerability of illicit drug production (see previous two boxes). The resulting risk assessments show that the reasons for cultivating illicit crops are diverse and often specific to particular areas. They also reveal that illicit crop cultivation is linked, on the one hand, to the dynamics of cultivation itself and, on the other hand, to underlying drivers and root causes related to conditions of vulnerabil-

72 USAID Office of Inspector General, “Audit of USAID/Afghanistan’s incentives driving economic alternatives for the North, East, and West program”, Audit Report No. F-306-12-004-P (Kabul, 2012).

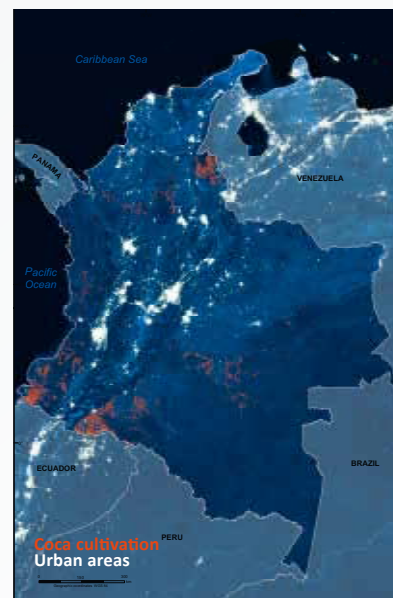
73 David Mansfield, *Examining the Impact of IDEA-NEW on Opium Production. Nangarhar: A Case Study* (2015).

Risk maps versus actual coca cultivation in Colombia in 2013, by municipality

Potential risk areas of illicit crop cultivation based on hazard and vulnerability indices



Actual coca cultivation, 2013



Sources: UNODC, *Colombia: Coca Cultivation Survey 2013* (June 2014); Colombia, Ministry of Justice, presentation made in Berlin in November 2014 on alternative development in Colombia and preparations for the special session of the General Assembly on the world drug problem to be held in 2016; and Colombia, Ministry of Justice, "Lineamientos para el Plan Nacional de Intervención Integral para la Reducción de los Cultivos Ilícitos en Colombia" (draft, December 2014).

Note: The boundaries shown on this maps do not imply official endorsement or acceptance by the United Nations.

		Number of municipalities facing threat (presence of coca cultivation)					Total
		high	medium-high	medium	medium-low	none	
Number of municipalities facing vulnerability	High	2	15	12	10	13	52
	Medium-high	4	25	45	59	244	377
	Medium	2	13	10	41	288	354
	Medium low		5	8	26	228	267
	Low			1	2	68	71
Total		8	58	76	138	841	1,121

ity found in geographical areas where cultivation takes place, such as weak rule of law or a lack of social and economic development.

F. STRATEGIC ELEMENTS OF ALTERNATIVE DEVELOPMENT PROGRAMMES

Alternative development is as much about building licit alternatives for farmers who engage in illicit crop cultivation as it is about socioeconomic development and security in the creation of an enabling environment to reduce illicit cultivation over time. No two alternative development projects are the same, yet their general strategic elements are often similar, even though their roles may vary in importance from project to project and some may not feature at all. Based on reviews of successful projects, the major components and strategic elements are presented below. A summary table can be found in the annex of the online version of this report.

Economic and infrastructural component

Economic necessity tends to play an important role in the decision of farmers to cultivate illicit crops. That is why there is a broad consensus among experts that viable, sustainable income-generating alternatives need to be available in order to decrease dependence on illicit cultivation over time. In many countries, from the Lao People's Democratic Republic to Morocco to Peru, the development and promotion of income-generating activities are at the heart of alternative development. As section B of the present chapter shows, however, a focus on the production of alternative crops alone has proved insufficient, which is why alternative development projects now contain (or are accompanied by) a full range of technical, marketing and infrastructural support.

Part of that support is production-related, with one of its most common forms being the transfer of the requisite skills for the transition to alternative crops. This support

Financial services matter and the provision of credit is important. A female beneficiary in Peru explains: "Credit is a problem: sometimes you produce well and at other times you don't, and if you don't pay, the bank will not spare you."⁷⁴ Alternative development projects often face situations in which existing informal credit systems may give preferential access to households that cultivate opium poppy. As one farmer in upper Khogiani, Afghanistan, puts it, "Poppy is from God; it has lots of benefits. When we go to Jalalabad, shopkeepers now show respect, they offer loans and they help load our cars."⁷⁵

may also include the transfer of infrastructural elements, such as collection centres, roads and bridges, or production-related resources, such as the provision of a water supply system or water storage tanks for irrigation, as in UNODC projects in Oudomxay Province of the Lao People's Democratic Republic or support for irrigation canals in the Badakhshan Province of Afghanistan. In the highland areas of Thailand, alternative development efforts have been accompanied by large-scale investment in roads and irrigation projects.⁷⁶ This is very similar to experiences in Peru, where the Government has invested heavily in economic infrastructure (roads and bridges), as well as social infrastructure (education and health care).⁷⁷

Support and credit schemes

Production-related support can also involve the donation of livestock and rice banks, as in a project sponsored by the European Union in Myanmar,⁷⁸ or rice banks alone, as in Thailand.⁷⁹ China has donated rice to local authorities in Myanmar to address the food insecurity of former opium poppy farmers, while in Indonesia a rice mill was established in exchange for voluntary labour by villagers.⁸⁰ In 2010, an association of fish farmers in Colombia received international support in the form of fish cages, juvenile cachama fish and fish food through a call for proposals of the European Union's third Peace Laboratory.⁸¹ Support also takes the form of seed distribution, as in the Helmand Food Zone project in southern Afghanistan.

As discussed in the previous section, lack of access to credit can be one of the drivers of illicit crop cultivation. To help poor farmers reduce illicit crop cultivation and begin alter-

native income generation, they need to have seed money for investment in new products, but remote communities often have no access to credit and other services. As bank or private loans entail high interest rates that farmers may not be able to afford, microcredit (or other forms of revolving funds) is a necessary component of alternative development programmes. Local credit and revolving funds can also help farmers to form organizations, to initiate saving schemes and to develop their capacity for financial planning and management. Several programmes in Asia incorporate various forms of microcredit, as well as revolving funds and assets, including rice banks, seed banks, revolving community medicine funds, village savings and microcredit production groups. The identification and exploitation of specialty markets is also a key element in Colombian and Peruvian alternative development programmes, an approach that requires adherence to strict guidelines and particular regulations but which yields returns on investment that are well worth the effort.⁸²

One principle of alternative development initiatives (as opposed to quick-impact projects) is that alternative sources of income are meant to be sustainable. This generally implies that perennial cash crops (e.g. coffee and palm oil) are favoured in the selection of alternative crops, as they would not be immediately replaced by illicit crops should their market price drop temporarily.⁸³ There is also an increasing focus on promoting value-added products (instead of raw materials) in order to increase the income of small-scale farmers. The importance of a market-driven approach is increasingly being accepted. Producers of alternative development products are encouraged to adapt to current and prospective market demand; projects can assist them in creating new market niches.⁸⁴

Marketing support, private sector involvement and value chain development

Support for the marketing of products of alternative development is now recognized as an important component of any project. Yet the marketing aspects have only recently grown in importance, with the main focus of alternative development still being on production, in order to boost productivity, output and quality. Boosting productivity tends to be regarded as a measure of success. But while the overarching objective may be raising income levels and indirectly raising the general living conditions of farming families, there is not always a clear marketing strategy for such products.

74 Brombacher and others, *Evaluación de medios de vida en poblaciones productoras de hoja de coca en el Valle de los ríos Apurímac y Ene*, p. 28.

75 David Mansfield, "From Bad They Made It Worse": *The Concentration of Opium Poppy in Areas of Conflict in the Provinces of Helmand and Nangarhar* (Kabul, Afghanistan Research and Evaluation Unit, 2014).

76 Renard, *Opium Reduction in Thailand 1970-2000*, p. 167.

77 UNODC, "The alternative development model in San Martin: a case study on local economic development, executive summary".

78 See http://ec.europa.eu/europeaid/documents/case-studies/myanmar_food-livelihood-security_en.pdf.

79 Renard, *Opium Reduction in Thailand 1970-2000*, p. 139.

80 Mae Fah Luang Foundation under Royal Patronage, Aceh sustainable alternative livelihood development project in Aceh Province, Indonesia. Information available at www.mae-fahluang.org.

81 Information gathered through the Administrative Unit for Territorial Consolidation (Colombia).

82 UNODC, *Sharing Experiences on Alternative Development from Southeast Asia and Latin America* (2009).

83 Joint UNODC-Federal Ministry for Economic Cooperation and Development expert group meeting on alternative development in the framework of preparations for the special session of the General Assembly on the world drug problem to be held in 2016 and the post-Millennium Development Goals debate, held in Berlin on 19 and 20 November 2014.

84 See E/CN.7.2013/8, para. 19.

ALTERNATIVE DEVELOPMENT IN THE LAO PEOPLE'S DEMOCRATIC REPUBLIC: the role of microcredit

In Oudomxay Province, Lao People's Democratic Republic, UNODC is supporting communities through improving food security and the increasing licit production of food and cash crops. The project has put in place rice banks, a water supply system, small-scale irrigation schemes and access roads, and has introduced improved and high-yielding crops, provided technical assistance (inputs and training) and conducted regular follow-up at the field level. This has contributed to an increase in annual household income from agricultural production (corn, rice, non-timber forest products, vegetables, fruit, livestock production and other licit crops) in 32 target villages of more than 500 per cent, from approximately \$360 in 2009 to more than \$2,100 in 2014. In the 17 new target villages, household income increased by 82 per cent, from \$660 in 2011 to \$1,200 in 2014.^a

An important element contributing to the successes achieved so far has been the microcredit scheme. A village savings and credit fund was established by the project in 44 target villages. These schemes are managed by local committees, which conduct investment and return assessments, monitor investment records and carry out accounting and financial reporting. Farmers and production groups develop production and investment proposals, action plans and microcredit, and small investment loans are provided through the community cooperative mechanism.

The total amount of money held by the fund in the project target villages increased by 42 per cent during the implementation period of a year and a half. The communities have been able to increase the production of various alternative activities, including the cultivation of diverse crops, livestock rearing and fish farming, and small trading and handicraft production. A significant part of the village microcredit funds was invested in the production of corn, which is the most commonly produced cash crop in Oudomxay. Also, women's weaving groups have been supported by establishing revolving funds, which have enabled women to obtain the skills to manage such programmes and invest in their handicraft activities.

^a UNODC, "Increasing food security and promoting licit crop production and small farmer enterprise development in Lao People's Democratic Republic and Myanmar: project XSPK26", annual project progress report 2014. Available from <https://profi.unodc.org>.

Despite these challenges, alternative development programmes have been able to produce added economic value, for example, by introducing agro-industry and social enterprises such as those related to the processing of macadamia nuts and coffee in Thailand and coffee and honey processing in Colombia (where marketing support has been quite successful through the establishment of second-tier producer organizations such as the Red Ecolsierra in Santa Marta). A coffee production plant has been established in the municipality of Albán in Nariño, Colombia.

To enhance marketing options and reduce some of the vulnerabilities related to illicit cultivation, alternative development programmes often try to involve the private sector. For example, a recent project in the Amazon region of Peru linked cacao production directly with a German importer of high-quality cacao, which provided technical assistance both pre- and post-harvest.⁸⁵ In the Region of San Martín, national companies that export palm hearts to Belgium, France, Germany, Lebanon and Spain, are involved in exporting products of alternative development. In these alternative development projects, the private sector has become an integral component of the strategy, not only in terms of implementing alternative development, but also through its broader investment in economic and social infrastructure.⁸⁶

In some regions of Colombia, farmers or farmers' cooperatives have been connected to markets through commercial partnerships with businesses such as national supermarket chains (with the assistance of the Ministry of Agriculture and Rural Development) or with national or foreign companies.⁸⁷ Alternative development programmes have increasingly incorporated the private sector through, for example, joint ventures or public-private partnerships.

Connected to the growing role of the private sector in alternative development programmes, a focus on the development of the entire production value chain has become common in recent years. The objective of such an approach is to increase competitiveness and marketing potential through strengthening the economic, technological and organizational components of alternative development interventions within a single value chain. In Peru, one such approach has focused on high-potential crops such as palm oil and cacao, and has incorporated all elements in the chain, from providing agricultural inputs to technical assistance, and from building business alliances and public-private partnerships to linking to markets.⁸⁸ In the Plurinational State of Bolivia, the focus on the value chain

Martín: Un Estudio de Caso de Desarrollo Económico Local, chap. II, sects. 7 (c) and 7 (d); and chap. VI, sect. III.

⁸⁷ UNODC, *Alternative Development Programme in Colombia: independent evaluation*, chap. 2 (Vienna, November 2014).

⁸⁸ USAID/Peru, "USAID/Peru country development cooperation strategy 2012-2016", pp. 21-22.

⁸⁵ GIZ, "Informe sobre el control de avance del Proyecto", report on project PER/U87, sect. 2.

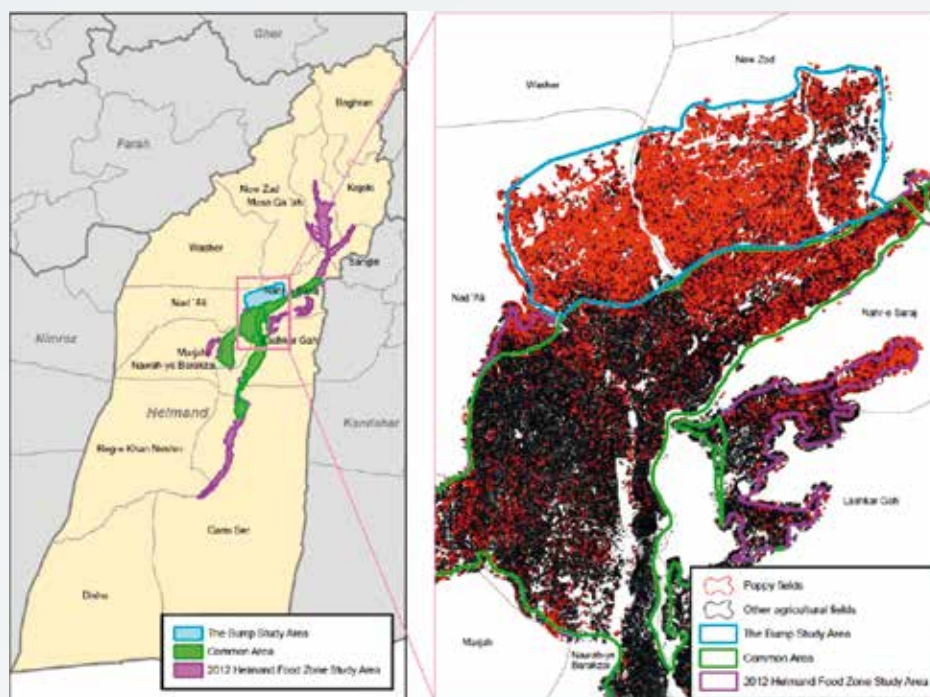
⁸⁶ UNODC, *El Modelo de Desarrollo Alternativo de la Región San*

QUICK-IMPACT PROJECTS CASE STUDY: the Food Zone in Helmand Province, Afghanistan

Designed to assist farmers over a three-year period in the transition from an opium poppy-based economy to a licit agricultural economy, the Food Zone programme started in 2008. The programme targeted the central, irrigated parts of Helmand Province of Afghanistan, where most options for alternative crop cultivation were feasible. The area accounted for around 40 per cent of Helmand's total area under opium poppy cultivation in 2008, based on data from Cranfield University (United Kingdom).

Also intended to restore confidence in the Government, the programme comprised awareness-raising campaigns to combat cultivation of opium poppy, the distribution of wheat seed and fertilizer to farmers, and law enforcement activities, including eradication. Farmers who received such assistance were required to sign a declaration indicating that they would not cultivate opium poppy. Following the introduction of the Food Zone in 2008, opium poppy cultivation within the zone fell by 37 per cent in one year, while the cultivation of wheat nearly doubled. Cultivation of opium poppy within the zone continued to decrease until 2011, whereas opium poppy cultivation outside the zone increased by 8 per cent in the first year, according to data collected by Cranfield University, and continued to increase in the following years. Nonetheless, the strong decline in poppy cultivation in the Food Zone enabled an overall decline in opium poppy cultivation of 33 per cent in Helmand Province in 2009.^a Nevertheless, the declines in the area under opium poppy cultivation within the Food Zone were increasingly offset by growing cultivation outside the Food Zone, notably in adjacent areas, including new agricultural areas to where members of households living in the Food Zone migrated to cultivate opium. In the following years, opium continued to be cultivated in the areas outside the Food Zone while it also increased in the Food Zone.

Helmand Food Zone, 2012



Source: Afghanistan, Ministry of Counter Narcotics, *Afghanistan Drug Report 2012* (November 2013).

Note: The boundaries shown on this maps do not imply official endorsement or acceptance by the United Nations.

Basically a quick-impact project, the Food Zone was successful in influencing the decisions of farmers within the zone during the period 2009–2012. In the Afghanistan Opium Survey 2012, farmers in the Food Zone still reported having an income that was, on average, about 30 per cent higher than the income reported by farmers outside the Food Zone. Yet the project had apparently not succeeded in fundamentally changing the socioeconomic and institutional conditions in the province: as assistance declined farmers resumed opium poppy cultivation over the 2012–2014 period.

^a According to UNODC and Ministry of Counter Narcotics of Afghanistan, *Afghanistan Opium Survey 2009* (December 2009), sect. 2.1.

Poppy cultivation inside and outside the former Helmand Food Zone, 2012-2014

	Cultivation 2012 (ha)	Cultivation 2013 (ha)	Cultivation 2014 (ha)	Change 2013-2014 (%)	% of agricultural land with poppy
Inside the Food Zone	24,241	36,244	41,089	13%	22%
Outside the Food Zone	50,935	64,449	62,151	-4%	31%
Total province	75,176	100,693	103,240	3%	27%

Note: The Food Zone estimates refer to an area in 10 districts of Helmand (the Food Zone as of 2011), where farmers were provided with fertilizer, certified wheat seeds and high-value horticulture seeds in the poppy-planting seasons for the 2009-2012 harvests. See UNODC and Afghanistan, Ministry of Counter Narcotics, *Afghanistan Opium Survey 2009* and *Afghanistan Opium Survey 2014*, methodology section.

One particular challenge the Food Zone had to overcome was the complex issue of labour. Illicit opium cultivation is far more labour intensive than, for example, wheat cultivation. It requires more land labourers not only for weeding, but also during the harvest. In the Food Zone area, many landless people work as seasonal labourers in illicit opium poppy cultivation; with the shift to wheat production and some agricultural mechanization, thousands lost their basic livelihoods and moved north of the Boghra canal, thus giving rise to an explosion of cultivation in that area.

Sources: Afghanistan, Ministry of Counter Narcotics, *Afghanistan Drug Report 2012* (November 2013); *Afghanistan Opium Survey 2014* (and previous years); and David Mansfield, "Where have all the flowers gone? Assessing the sustainability of current reductions in opium production in Afghanistan", Afghanistan Research and Evaluation Unit briefing paper series (May 2010).

enabled the optimization of production, a growing productive base and a boost in commercialization of products such as palm hearts.⁸⁹ In Thailand, projects involving coffee have not only shifted from selling green beans to roasted coffee, but have also incorporated the establishment of cafés where the coffee is sold.⁹⁰ In the Department of Urabá, the Government of Colombia and UNODC have established a commercial partnership with a major European supermarket chain, alternative development has been linked at the national level with a restaurant chain.⁹¹ In Afghanistan, the value chain approach is implemented widely, from wool to carpets, and grapes to raisins, as part of the National Alternative Livelihood Policy, a joint initiative of the agriculture and rural development cluster led by the Ministry of Counter Narcotics.

Thailand provides an example of long-term private sector involvement from an early stage: six Thai and Japanese companies have invested in a business to carry out economic forestry development as part of the Doi Tung Development Project, and to promote the cultivation of coffee and macadamia nuts along the entire value chain, up to and including processing and marketing, so as to provide farmers with sufficient income to be able to resist cultivation of opium poppy. In this case, the partnership with the private sector provided access to funding sources, technical knowledge, business expertise and marketing.⁹²

However, private sector investment and involvement in alternative development programmes does not yield only positive results. Sometimes business interests are not fully in line with the objectives of a particular programme. An example can be found in the Lao People's Democratic Republic and Myanmar, where some foreign companies working within an "opium substitution" scheme tend to favour large-scale monocrop plantations (e.g. rubber) as opposed to the crop diversification strategies of the respective Governments. These commercial plantations have been said to reduce the land available to small-scale farmers and increase competition for land labourers. Similarly, the value chain approach may not be successful under all circumstances. For example, analysts have questioned its economics-driven focus, which has not always been able to take into account the complexities of fragmented societies with weak Governments and particular sociocultural needs and conditions.⁹³

Market access

In political declarations and the United Nations Guiding Principles on Alternative Development, countries are clearly urged to increase market access to products of alternative development. Preferential treatment regarding market access is in line with the Political Declaration adopted by the General Assembly at its twentieth special session, in 1998, and its related measures to enhance international cooperation to counter the world drug problem, in which it was underlined that "the international community should attempt to provide greater access to domes-

89 Plurinational State of Bolivia and UNODC, "The Bolivia country program 2010-2015: capacity-building in response to drugs, organized crime, terrorism, corruption and economic crime threats in Bolivia" (La Paz, March 2010), sect. V.2.

90 UNODC, "Doi Tung: thinking outside the box" (14 March 2008).

91 Colombia, Administrative Unit for Territorial Consolidation and Division for Programmes to Combat Illicit Cultivation, "Informe ejecutivo: encuentro nacional de desarrollo alternativo—Diciembre 2013" (Bogotá, March 2014), p. 55.

92 Mae Fah Luang Foundation Under Royal Patronage, "It can be done" (n.p., n.d.), p. 4.

93 Holly Ritchie, "Beyond the value chain model: deconstructing institutions key to understanding Afghan markets" in *Snapshots of an Intervention: The Unlearned Lessons of Afghanistan's Decade of Assistance* (2001-11), Martine van Biljert and Saria Kuovo, eds. (Kabul, Afghanistan Analysts Network, 2012).



NON-AGRICULTURAL ALTERNATIVE LIVELIHOODS: ecotourism in Colombia

In the Region of the Sierra Nevada de Santa Marta, alternative development has included ecotourism^a as a source of income to complement that from the cultivation of sugar cane, thanks to the construction of *posadas* (wooden cabins) in several rural settlements. The Government enlisted the support of architects and provided construction materials and labour to construct the cabins, but then its support ceased. Although the scheme proved popular with international visitors, its main downside is that the tourism sector is cyclical and is not sufficient to create a sustainable livelihood. It does at least provide a complementary income, however. Nevertheless, its potential is huge, as this region boasts the combination of a coastline, national parks such as Parque Tayrona and the proximity of the popular tourist destination of Santa Marta.

In the Department of Meta, ecotourism is also an alternative livelihood, particularly in the Municipality of La Macarena,^b where in the past three years 33 tourist guides have been trained. Tourism in this region has the potential to grow significantly, but the main hindrance is poor accessibility owing to a lack of regional flights. Further government support for the local tourism sector is expected over the next few years, with the priority of creating access to specialized university courses, distance learning and complementary economic activities (e.g. making handcrafted products) off season.

a Ernesto Bassi Arévalo, “El apoyo institucional como factor clave: EMSOLMEC como ejemplo de gestión de alianzas que contribuyen al desarrollo económico, social y ambiental de la Sierra Nevada de Santa Marta”, in UNODC and Acción Social, *Organizaciones que Cambian Vidas: Programa Familias Guardabosques y Programa Proyectos Productivos* (Bogotá, Impresol, October 2008), pp. 266-293.

b Colombia, Centro de Coordinación de Acción Regional, “Avances 2009: plan de consolidación integral de La Macarena” (December 2009), sect. 8.5.

tic and international markets for alternative development products”.⁹⁴ The issue of market access gained even more prominence in the final document of the International Workshop and Conference on Alternative Development, organized by the Government of Thailand, in association with the Government of Peru and in close collaboration with UNODC, in Chiang Rai and Chiang Mai, Thailand, in November 2011. In that document, officially presented to the Commission on Narcotic Drugs at its fifty-sixth session,⁹⁵ it was recommended that Member States, international organizations and regional organizations “do their utmost ... to consider measures to enable products of alternative development to have easier access to national and international markets, taking into account applicable multilateral trade rules”.⁹⁶ A less demanding reference regarding market access, in line with the language used in the Political Declaration and Plan of Action on International Cooperation towards an Integrated and Balanced Strategy to Counter the World Drug Problem, is found in the United Nations Guiding Principles on Alternative Development. In those Guiding Principles, it is pointed out that, in designing alternative development programmes, States “should take into account issues related to the establishment of agreements and viable partnerships with small producers ... and adequate market access”.⁹⁷ The latter aspect has also been covered in detail in Commission on Narcotic Drugs resolution 56/15, in which interested Member States were invited to expand their

efforts with regard to the development of “strategies on voluntary marketing tools” for products stemming from alternative development.

Political component

Significant and long-term investment and support

The political component of alternative development is based principally on political and financial support by Governments to alternative development or to other rural development strategies that may directly or indirectly affect the driving factors of illicit cultivation. Long-term political support is essential to the success of alternative development projects, as such support is required to build long-term licit alternatives and transfer skills in areas where alternative development takes place. Time is needed to address not only the economic drivers behind illicit cultivation, but also the building of trust with local communities. As farmers are often involved in activities linked to illicit markets on the basis of rational choice, it takes time before they can be convinced that licit alternatives can provide them with a sustainable and profitable source of income. Thailand, among others, provides a good example of progress through substantial, long-term investment by international donors, non-governmental organizations, the private sector and Governments.⁹⁸

The political component of alternative development often concerns supply reduction in line with national and international drug control strategies, but in a broader context

94 General Assembly resolution S-20/4 E, para. 15.

95 E/CN.7.2013/8.

96 E/CN.7.2012/8, para. 41.

97 Para. 9.

98 Renard, *Opium Reduction in Thailand 1970-2000*, p. 119.

of increasing stability, security and the rule of law. Law enforcement measures such as interdiction or crop eradication accompany alternative development within a broader political strategy to bring down illicit cultivation. They attempt to impose order in areas where there is no, or limited, rule of law.

Conditionality

One of the most controversial issues in approaches applied to alternative development is the application or non-application of a so-called “conditionality clause”. This reflects the debate about whether the benefits of alternative development activities should be in some way conditional on the intended results of supply reduction. Discussions of the concept of conditionality arise whenever its application interferes with the relationship between alternative development providers and farmers (and their organizations). In this regard, there are two conflicting issues: conditionality clauses can harm the relationship, sense of ownership and trust that should exist for development processes to be successful; and Governments need to have a certain degree of reassurance from farmers that, through economic and social assistance, illicit crops will actually be reduced over time. There is no common approach to conditionality, and a review of national strategies shows that most countries do not make reference to this issue in their strategy documents. In the strategies of Colombia and Peru it is specified that prior (voluntary or forced) eradication is a precondition to participation in alternative development programmes. In the strategy of the Plurinational State of Bolivia it is mentioned that no prior eradication or reduction is necessary, and that public investment in infrastructure and social development come first, before alternative development programmes are started.

Conditionality is closely linked with issues of sequencing. The Political Declaration and Plan of Action on International Cooperation towards an Integrated and Balanced Strategy to Counter the World Drug Problem explicitly states that Member States should “ensure the proper and coordinated sequencing of development interventions when designing alternative development programmes” and “ensure, when considering taking eradication measures, that small-farmer households have adopted viable and sustainable livelihoods so that the measures may be properly sequenced in a sustainable fashion and appropriately coordinated”.⁹⁹ In the United Nations Guiding Principles on Alternative Development it is stressed that countries should ensure “the proper and coordinated sequencing of development interventions when designing alternative development programmes” and that “alternative development policies should be implemented alongside efforts made by States to strengthen the rule of law and promote health, safety and security so as to ensure a comprehensive approach to tackling the challenges that may be posed by

the possible links between drug trafficking, corruption and different forms of organized crime and, in some cases, terrorism”.¹⁰⁰

Organizational component

Experience with alternative development has shown that creating, strengthening and supporting farmers’ associations and community management groups is generally the best way to boost rural development processes. In Colombia, for example, such associations have helped to generate social capital, promote effective project control measures within communities and create better relationships between farming communities and local and national governments.¹⁰¹ A total of approximately 600 producer organizations have been either created or strengthened through alternative development programmes in Colombia. In Thailand, a significant number of women’s groups, youth groups and vocational groups have been created to strengthen “local capacity and initiative”.¹⁰² In addition, resource management groups, such as village water management and forestry management committees, effectively serve to ensure a sense of joint ownership, responsibility and sustainable management of resources by the community, and also enhance community self-governance capability.¹⁰³

Establishing or working with existing farmers’ organizations is common practice in alternative development, especially in Latin America, where, in contrast to the more village-based interventions in Asia, the strategic focus has often been on working with first- and second-tier producer organizations.¹⁰⁴ The main examples are sector or producers’ committees, cooperatives and farmers’ associations, such as a German-sponsored project in Peru that worked with existing cooperatives.¹⁰⁵ Other projects in Peru have helped establish producer associations and cooperatives, which is a popular strategy with farmers, as they believe this will generate higher profits and more control over the marketing of what they produce in the medium to long term.¹⁰⁶

¹⁰⁰ Annex, appendix, paras. 9 and 15.

¹⁰¹ Sandro Calvani, *La Coca: Pasado y Presente—Mitos y Realidades* (Ediciones Aurora, Bogotá, 2007), p. 134.

¹⁰² Renard, *Opium Reduction in Thailand 1970-2000*, p. 108.

¹⁰³ Thai-German Highland Development Programme (TG-HDP), “Review of TG-HDP’s agricultural and forestry programmes, 1984-1998, with special reference to community-based natural resource management”, internal paper no. 212 (Chiang Mai, Thailand, 1998).

¹⁰⁴ UNODC, *Alternative Development Programme in Colombia: independent evaluation* (Vienna, November 2014).

¹⁰⁵ Report of GIZ on project PER/U87.

¹⁰⁶ *Lessons for Future Programming: USAID/Peru’s Alternative Development Program* (June 2010), submitted by Weidemann Associates, Inc., to USAID/Peru, sect. I.3.

⁹⁹ *Official Records of the Economic and Social Council, 2009, Supplement No. 8 (E/2009/28)*, chap. I, sect. C., paras. 47 (f) and 47 (g).

Alternative development is not only about hectares, competitive advantages, profit and economic sustainability. It is first and foremost about its beneficiaries: men, women, children and their wider communities. It is about transferring skills and knowledge to those beneficiaries to improve lives. A farmer in Naseankham, a village in the Lao People's Democratic Republic, says: "We now have the skills, knowledge and incentive to cultivate vegetables and fruit trees. This has improved our livelihoods — and gives me hope."¹⁰⁷ In addition to providing profitable and sustainable alternatives, alternative development is about providing security, State protection, social acceptance, a better future for farmers' children and access to basic services such as health and education. A villager in Qarhuapampa, Peru, stresses the importance of improving education, improving schools and having high schools so that the young people are better educated and can have more opportunities.¹⁰⁸ A beneficiary in Tumaco, Colombia, explains: "We know we are not looking for wealth here, but it has been a more rational use of the forest involving a larger number of families that benefit from the work and the developments in education and health care."¹⁰⁹

Support to producer associations is among the most important reasons why farmers continue to participate in alternative development programmes, but it is not clear whether this strategy always leads to increased income.¹¹⁰ With fluctuating sales, in some years the benefits are limited to increasing production and the social base of associations.¹¹¹ Nevertheless, alternative development has been able to contribute to the creation of social capital, whether in terms of commitment to community development or the investment of community members in farmers' associations in order to improve the production and marketing process.¹¹²

Among the downsides of an organizational strategy can be a loss of farmers' independence (as farmers depend more on joint strategies, resources and the commitment of other farmers) and loss of flexibility, especially in the case of large associations or complex decision-making procedures. Moreover, in some contexts or countries, the concept of "cooperative" may have significant disadvantages if it is not supported by the authorities.

Social component

The social component of alternative development is much broader than the projects themselves, and tends to involve a national or international strategy to boost the socio-economic development of local communities in drug-

producing areas. For example, the Thai-German Highland Development Programme (1981-1998) had a considerable impact on increasing access to education, health care and clean drinking water.¹¹³ In Morocco, alternative development projects focus on improving access to basic services (e.g. education and health) within the National Initiative for Human Development. The evaluation of the Peruvian alternative development programme clearly states that more impact can be generated at the local level if alternative development is coordinated better with social and poverty-reduction programmes.¹¹⁴

Social strategy is not only about improving the socioeconomic conditions in which the impact of alternative development can be enhanced, but also about the creation and strengthening of social organizations and the direct participation of beneficiaries in the design, planning and implementation of rural development projects, including alternative development projects.

Local ownership and community participation

There is a general consensus that alternative development interventions can work only if they manage to achieve or build on the involvement of local communities or beneficiaries. Direct participation by farmers and communities plays a key role in the design and planning of alternative development activities, especially in areas where no effective public institutions can fulfil this role. Over the years, the emphasis in alternative development has shifted from focusing merely on technical and economic aspects to a more integrated vision of the problem and a long-term perspective regarding development and security of the area under consideration. In spite of this progress, considerable challenges remain in terms of the articulation of alternative development and the interaction between governmental bodies and local communities. The latter is often characterized by a lack of State presence in illicit-drug-growing areas and by a widespread mistrust at the community level towards government agencies.

In Thailand, the participatory approach has contributed to success, based on the creation of "learning organizations" in local communities that were able to take on board new ideas and methods of working.¹¹⁵ In addition, local community representatives or volunteers were brought on

107 UNODC, "Improving livelihoods and food security through alternative development in Lao PDR", 20 December 2012. Available at www.unodc.org/southeastasiaandpacific/en/laopdr/2012/12/alternative-development/story.html.

108 Daniel Brombacher and others, *Evaluación de medios de vida en poblaciones productoras de hoja de coca en el Valle de los ríos Apurímac y Ene* (VRAE) (Madrid, Cooperation Programme between the European Union and Latin America on Drug Policies (COPO-LAD); Eschborn, GIZ, 2012), p. 49.

109 UNODC and Acción Social, *Organizaciones que Cambian Vidas: Programa Familias Guardabosques y Programa Proyectos Productivos* (Bogotá, 2008), p. 92.

110 Ibid., sect. II.2.

111 DEVIDA and UNODC, "Perú: desempeño comercial de las empresas promovidas por el desarrollo alternativo—2012" (June 2013), pp. 17-18.

112 USAID, *Lessons for Future Programming*, sect. I.2.1.

113 *Alternative Development: A Global Thematic Evaluation—Final Synthesis Report*, p. 6.

114 Peru, Office of the President of the Council of Ministers and DEVIDA, "Consultoría: evaluación del programa presupuestal desarrollo alternativo integral y sostenible—PIRDAIS 2013 – informe final" (July 2014), p. 90.

115 Renard, *Opium Reduction in Thailand 1970-2000*, p. 112.

board from the beginning to serve as a two-way link between projects and the community to ensure effective communication in the local languages, and to ensure that community members were fully engaged throughout the project and that the local representatives received first-hand experience, enabling them to be at the heart of their community's development process.¹¹⁶ In Aceh, Indonesia, local communities have begun to take ownership of various initiatives at the Sustainable Rural Development Centre, overseeing and operating the activities themselves after having received sufficient capacity-building.¹¹⁷

In Pakistan, one of the common elements of success in Dir District was community participation in the first phase of project implementation, when priorities were established and interventions selected.¹¹⁸ To create more ownership, in Afghanistan, UNODC supported infrastructure projects that had been identified as priorities by the local communities themselves, such as canal rehabilitation in Jowzjan and Badakhshan Provinces. In the latter province, a 22-km road was also constructed to connect 12 villages to markets and basic services, again on request from the local community development council. These Afghan projects can be considered "quick-impact" alternative development projects, which not only addressed problems of water delivery and irrigation but also were meant to build trust among stakeholders.

Land governance

Land governance can be defined as the "rules, processes and structures through which decisions are made about access to land and its use, the manner in which the decisions are implemented and enforced, and the way that competing interests in land are managed".¹¹⁹ As a normative concept, it is aimed at establishing guidelines for sustainable land policies, including complex issues such as access to land, land rights, land use and land development.¹²⁰ At the global level, it has been recognized that secure and equitable rights to land and natural resources are central to achieving sustainable development.¹²¹

Lack of access to land can be one of the drivers of illicit cultivation, so land tenure and the sustainable management and use of land are crucial elements for the long-term success of alternative development. Expert meeting discussions in 2013 highlighted that: "Most alternative cash crops require long-term engagement of farmers, since they require several years to produce yields. Without access to land, farmers are not willing to engage in cultivating long-term cash crops."¹²² Furthermore, a recent technical briefing paper stated that land rights "empower people and provide a sense of dignity. They enhance food security and are fundamental to achieve the right to food and increase the productivity of small-scale food producers." Land rights also have broader social implications, such as promoting more inclusive and equitable societies, specifically the participation and empowerment of women.¹²³

Lack of access to land is also an important component in countries where landless people work as seasonal labourers during the very labour-intensive opium harvest. In Afghanistan, one of the UNODC pilot projects in Herat Province helps rehabilitate farm production, including by land stabilization in areas that are in the process of becoming desert, by irrigation development, agricultural diversification and community enterprises. The objective is to prevent people who can no longer meet their basic livelihood needs by working as seasonal labourers in opium poppy fields and as small-scale drug traffickers.

In the United Nations Guiding Principles on Alternative Development, it is recommended that countries "take into account land rights and other related land management resources when designing, implementing, monitoring and evaluating alternative development programmes, including those of indigenous peoples and local communities, in accordance with national legal frameworks".¹²⁴

While there is broad agreement that alternative development should address the issue of land tenure, very little research has been conducted into the linkage between these two issues.¹²⁵ The preliminary findings of a study commissioned by the Government of Germany in 2013 into the nexus between illicit drug cultivation and access to land suggest that, so far, land rights have hardly been included in alternative development programmes at all. The study confirms the dual relationship between alternative development and land tenure: restricted access to legal land titles often leads to illicit cultivation, while secure

116 Mae Fah Luang Foundation under Royal Patronage, "It can be done", pp. 6-7.

117 Mae Fah Luang Foundation under Royal Patronage, Aceh sustainable alternative livelihood development project in Aceh Province, Indonesia. Information available at www.mae-fah-luang.org.

118 UNODC, *World Drug Report 2000*, sect. 3.3.

119 David Palmer, Szilard Friczka and Babette Wehrmann, *Towards Improved Land Governance*, Land Tenure Working Paper 11 (September 2009), sect. 2.2.

120 Stig Enemark, Robin McLaren and Paul van der Molen, *Land Governance in Support of The Millennium Development Goals: A New Agenda for Land Professionals* (Copenhagen, International Federation of Surveyors, 2010).

121 International Assessment of Agricultural Knowledge, Science and Technology for Development, *Agriculture at a Crossroads: Synthesis Report*, Beverly D. McIntyre and others, eds. (Washington, D.C., 2009); United Nations High-Level Task Force on the Global Food Security Crisis, "Updated Comprehensive Framework for Action" (September 2010); and Committee on World Food Security, *Global Strategic Framework for Food Security and Nutrition* (second ver-

sion, October 2013).

122 E/CN.7/2014/CRP.7, p. 4.

123 Action Aid International and others, "Secure and equitable land rights in the post-2015 agenda: a key issue in the future we want" (January 2015).

124 Annex, appendix, para. 18 (kk).

125 "The role of alternative development in drug control and development cooperation: international conference, 7-12 January 2002, Feldafing (Munich), Germany", Federal Ministry for Economic Cooperation and Development (Germany), German Agency for Technical Cooperation and German Foundation for International Development, eds. (2002), p. 18.

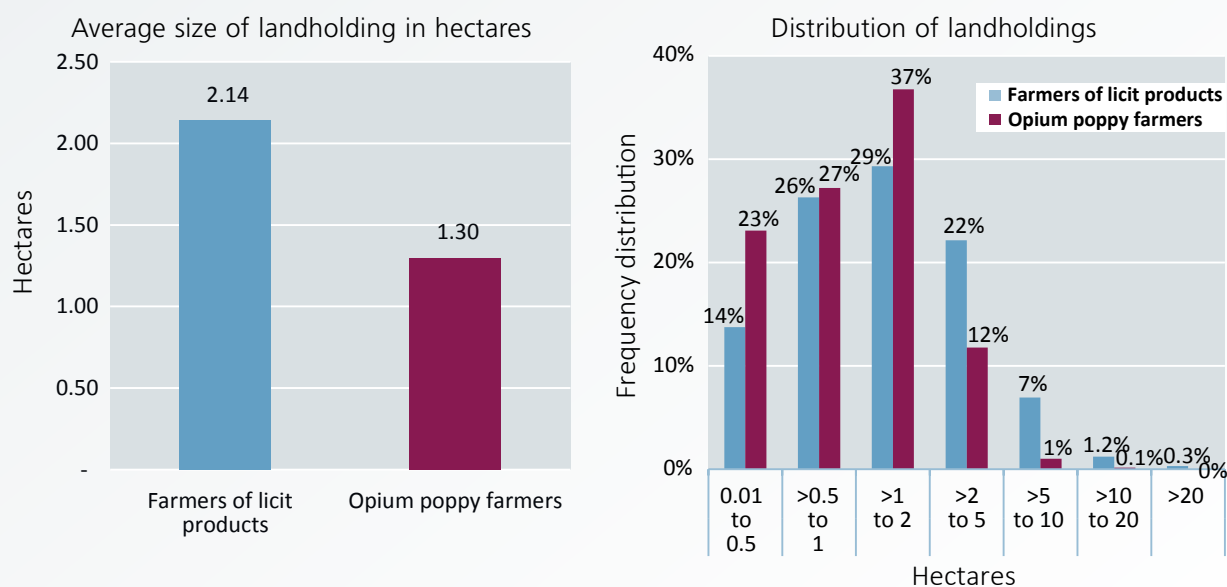


LAND TITLING/LAND OWNERSHIP

The granting and/or enforcement of individual and collective land titles has proved a successful alternative development strategy in several areas in the Andean region. However, in some countries in South-East Asia, such as Myanmar, strong population growth, in combination with land titles being confiscated or granted to outside investors, has meant that the traditional system of shifting agriculture, in combination with a “slash and burn” approach, in the highlands may no longer work. This approach leaves local communities with ever smaller plots per capita and with ever more degrading soil (as farmers can no longer move to new plots), which are not sufficient to guarantee food security for their communities. As a consequence, some of these communities have started to cultivate opium poppy in order to generate additional cash to purchase food.^a

In many of the countries where illicit crops are cultivated, poverty is associated with a lack of land for generating sufficient income from the cultivation of licit crops. In Afghanistan, data collected during the UNODC opium survey revealed that the landholdings of opium-growing farmers were on average almost 40 per cent smaller than those of farmers who produced licit crops in 2014. Opium production was far more common among farmers with 2 ha or less than among farmers with larger holdings. Even among opium poppy farmers themselves, data show that smaller landholders dedicated a higher proportion of their land to illicit opium production than larger landowners did. The average land area dedicated to opium production amounted to 0.45 ha, which was equivalent to on average 35 per cent of the 1.3 ha of total land available to an opium poppy farmer. Even smaller landholdings of an average of less than 1 ha were reported for sharecroppers and tenants who were cultivating opium poppy.

Landholdings in Afghanistan, farmers of licit crops versus opium poppy farmers, 2014



Source: UNODC, data from the socioeconomic survey of farmers in Afghanistan (based on interviews with 680 farmers of opium poppy and approximately 4,000 farmers of licit products).

a Transnational Institute, *Bouncing Back: Relapse in the Golden Triangle* (June 2014), p. 14.

access to land seems to offer the best chances for sustainably transitioning to legal livelihoods. The research states that secure land rights increase the willingness of farmers to invest in the long term in the establishment of a licit livelihood and improve their access to credit. Based on experiences, especially in the Andean region and South-East Asia, there are many potential benefits of considering land tenure concerns in alternative development programmes.

A special case of linking alternative development with land ownership can be found in Colombia, where land used by

farmers, mostly to grow coca leaf, was acquired for the ethnic Kogui indigenous people in the Sierra Nevada de Santa Marta and added to their reservation. The Kogui indigenous people are involved not only in coffee production but also in the environmental protection of the lands they control. In general, under Colombia's Forest Warden Families Programme, the acquisition of land is important for preventing illegal crops from reappearing after the end of a programme. The idea behind this strategy is that beneficiaries will be more attached to their land and will fear losing it if illicit crops are found. It also has additional

POSSIBLE BENEFITS OF LINKING ALTERNATIVE DEVELOPMENT WITH PROCESSES OF LAND TENURE AND LAND ACQUISITION

- Contribution to a culture of legality and willingness to abandon illicit cultivation
- Increase in commitment to and ownership of alternative development projects
- Generation of incentives to invest in the land and licit livelihoods
- Increase in access to formal credit for investing in licit livelihoods
- Prevention of migration, as people grow more attached to their land
- Prevention of environmental harm if less migration reduces pressure on the expanding agricultural frontier
- Protection of the environment and biodiversity if individual or communal land rights lead to better management and restoration of forests
- Increase in the attraction of alternative development programmes or alternative livelihoods in general to farmers, given the benefits associated with land tenure
- Decrease in social tension around local land disputes
- Voluntary resettlement from protected or unsuitable areas if farmers can be offered land tenure in other areas
- Increase in number of farmers investing in perennial crops and cash crops that only become profitable in the long term

benefits for the sustainability of legal economic activities, as it enables the acquisition of productive loans and generates incentives for investing in the land. As people grow attached to their own land, it also prevents migration. As such, promoting land acquisition may be one of the most effective ways of preventing the return of illicit cultivation to areas where alternative development is implemented.

In another project in Colombia, the component of formalization of land ownership had the objective of facilitating the acquisition of land ownership titles through notarial or administrative procedures led by the Instituto Colombiano de Desarrollo Rural (INCODER). In the framework of this component, more than 1,000 land ownership titles were issued to farmers, families of African descent and displaced families, for more than 18,000 ha of land (approximately 3,000 ha of which were bought) in the Departments of Antioquia, Putumayo and Córdoba. The component of land titling was recognized as a precursor to the task of formalizing land tenure within the framework of alternative development projects in Colombia.¹²⁶

It should be noted that the promotion of land rights is a strategy that goes beyond alternative development programmes. It is normally part of national development plans or strategies, such as the national development plan of Mexico for the period 2013-2018, which can indirectly help to prevent illicit cultivation. An evaluation of a project in the Plurinational State of Bolivia mentions that the Ministry of Rural Development and Land is making progress with land titling in the Department of La Paz, and expects to complete the process by 2017.¹²⁷

Environmental component

The Report of the International Narcotics Control Board for 2005 stated that environmental concerns had become “virtually inseparable” from illicit crop cultivation.¹²⁸ The environmental impact of illicit drug production and trafficking has been broadly documented,¹²⁹ with significant attention to the way in which illicit crops cause the degradation and destruction of primary forests in Latin America and South-East Asia. In addition to the negative environmental impact of illicit cultivation, there has been increasing attention paid to the role alternative development can play in environmental protection. The United Nations Guiding Principles on Alternative Development state that: “Alternative development programmes should include measures to protect the environment at the local level, according to national and international law and policies, through the provision of incentives for conservation, proper education and awareness programmes so that the local communities can improve and preserve their livelihoods and mitigate negative environmental impacts.”¹³⁰

Thus, alternative development has both a component of “do no harm”, trying to minimize the environmental impact of alternative development interventions, and a proactive component, in which programmes directly or indirectly contribute to the protection of the environment

Development, progress report on project BOLI79 (Sustainable and Integrated Management of Natural Resources in the Tropics of Cochabamba and the Yungas of La Paz) (December 2013), sect. 5.3.

128 Para. 32.

129 Francisco Thoumi, *Illegal Drugs, Economy, and Society in the Andes* (Baltimore, Johns Hopkins University Press, 2003), pp. 196-199.

130 Para. 11.

126 UNODC, “Alternative Development Programme in Colombia: independent evaluation”.

127 Germany, Federal Ministry for Economic Cooperation and



ALTERNATIVE DEVELOPMENT, REFORESTATION AND AGROFORESTRY: the example of the Plurinational State of Bolivia

In the tropical lowlands of the Plurinational State of Bolivia, integrated forestry management and agroforestry projects started in 1994^a to provide farmers with sustainable livelihoods to reduce illicit coca cultivation. Despite deforestation as a result of illicit coca cultivation, enough forests remained, but they had never been managed sustainably. The initial projects had two central components: developing forest management plans for the sustainable production of wood and non-wood products; and introducing agroforestry systems of tree and legume crops, interplanted with annual and perennial crops.^b It was intended that the latter component would provide additional income to farmers, as well as increase food security, through food crops, vegetable gardens and the breeding of livestock.

Within the current strategy, reforestation, sustainable extraction of forest resources and agro-forestry reinforce each other.^c Income generation goes hand in hand with forest preservation: “in order for these practices to be fully adopted by growers, ... [they] must guarantee economic benefits. In other words, in order to preserve tropical forests, it is necessary to make use of its timber, and to preserve cultivatable soil, agro-forestry must generate real income”.^d One of the projects in the Plurinational State of Bolivia, the Jatun Sach’a project, resulted in positive change in terms of strengthening producers’ organizations, capacity-building, reducing unsustainable exploitation and introducing new crops and agro-industry (e.g. portable sawmills).^e

This project has particularly benefited women, who were trained to use local plants and vegetables to create products that enhance food security and improve nutrition in farming communities. In terms of agroforestry and reforestation, the sustainable and integrated management of natural resources in the tropics of Cochabamba and the Yungas of La Paz project showed considerable results: between 2006 and 2013, 4,900 ha of agroforestry systems were established based on coffee, cacao, rubber and other tree crops, while 3,000 ha were reforested with various tree varieties and 12,800 ha of primary forest received sustainable management, including proper marketing of wood products.^f

a The Jatun Sach’a project began in 1994. Another Food and Agriculture Organization of the United Nations (FAO) project, financed through UNDCP, started in 1997.

b FAO, “FAO helps Bolivia in fight against cocaine trade”, news release (30 March 2000). Available at www.fao.org/News/2000/000307-e.html.

c Plurinational State of Bolivia, Ministry of Rural Development and Lands, “Estrategia Nacional de Desarrollo Integral con Coca 2011-2015” (June 2011), p. 50.

d Plurinational State of Bolivia, Vice-Ministry of Alternative Development; UNODC; and FAO, “Proyecto Jatun Sach’a: 10 años construyendo una cultura forestal” (2005), p. 9.

e Ibid., p. 39.

f UNODC, Annual progress report for 2014 on project BOLI79 (sustainable and integrated management of natural resources in the tropics of Cochabamba and the Yungas of La Paz).

and biodiversity and the mitigation of climate change. The latter has been one of the most recent additions to alternative development programmes. In Colombia, the BIOREDD+ programme,¹³¹ sponsored by the United States Agency for International Development (USAID), is one of the first projects operating in communities where alternative development programmes take place to link sustainable agricultural production at the local level to the international market for carbon credits.

A more common element of alternative development has been the focus on agroforestry and sustainable forest management in general. Such projects can be found in virtually all countries where alternative development programmes have been implemented, from the Chapare Region in the Plurinational State of Bolivia to Chiang Rai Province in Thailand. Reforestation and countering soil erosion are

part of the objectives under this strategy, and are often addressed through agroforestry, including the combination of tree crops such as coffee and cacao with reforestation (e.g. in order to provide shade and improve the soil), as well as oil palm, rubber and peach palm cultivation.¹³² The agroforestry projects in Thailand balance livelihood development and environmental sustainability objectives through the promotion of proper zoning practices. Specific forest areas are designated for conservation, for limited daily use and for economic use in the form of high-value crops such as coffee and macadamia nuts. The land and forest management model of the Doi Tung project has increased the forest area from 30 to 85 per cent.¹³³

132 *Alternative Development: A Global Thematic Evaluation—Final Synthesis Report*, p. 7.

133 Mae Fah Luang Foundation under Royal Patronage, “It can be done”, p. 13.

131 For more information, see www.bioredd.org/projects.

Morocco also includes forest management, reforestation and the protection of biodiversity in one specific environmental pillar of alternative development. Finally, a study¹³⁴ conducted in Colombia revealed that, during the implementation of the Forest Warden Families Programme (between 2003 and 2010), more than 75 million tons of carbon were stored in 546,000 ha of preserved forest. During the same period, agroforestry systems, promoted under the Alternative Productive Projects Programme in 23 municipalities, captured more than 37,000 tons of carbon.

The above strategies require the delicate balancing of environmental concerns and commercial objectives. Indeed, a structural problem related to alternative development could be described as the “alternative development/environmental protection trade-off”. For example, illicit coca cultivation leads to deforestation, but legal alternatives such as livestock may actually lead to more deforestation. This can be seen in areas such as the Department of Meta in Colombia, where livestock is used as an alternative livelihood and efforts are made to mitigate the negative impact on the environment, for example, through environmental guidebooks related to livestock, cacao, poultry, fishing and other alternative livelihoods.¹³⁵ More generally, the use of harmful pesticides can have very negative consequences for the environment, whether used on licit or illicit crops. Similarly, alternatives such as ecotourism can have negative effects on the protection of biodiversity or the environment, while the construction of infrastructure may also have an environmental impact.¹³⁶ To increase the sustainable use and management of forests and territory, Colombia has developed some guidelines containing best environmental practices, under its flagship Forest Warden Families Programme,¹³⁷ which has, for example, increased the use of organic fertilizer, crop rotation and stump-retention practices.

A focus on women

Many alternative development programmes have a specific focus on women and their empowerment. The recent project in the Municipality of La Asunta, in the Plurinational State of Bolivia, was specifically aimed at strengthening the role of women in both the production and marketing

of alternative crops.¹³⁸ In Afghanistan, associations and enterprises involving women have been established, for example, concerning saffron, mint and dairy products in the Provinces of Ghor and Herat, among others,¹³⁹ while UNODC has supported a small-scale project in Herat Province to train women in tailoring.

The 2010, USAID-sponsored Alternative Development Programme in Peru found that women played a critical role in increasing the impact of alternative development. They played an important role in the decision-making process, whether in relation to the decision to maintain a coca-free licit livelihood or management and investment decisions on farms. Focusing on the leadership of women, networking and empowerment in general was also seen to contribute to the promotion of broader public issues, leading to an enabling environment in which communities could sustainably reduce illicit coca cultivation.¹⁴⁰ In the Lao People's Democratic Republic and Viet Nam, UNODC projects worked through the respective women's unions, ensuring the participation of women in village development committees, and created special microcredit funds for women. This was supplemented by adult education, literacy classes and the development of numerical skills.¹⁴¹ Women became more empowered when they had a regular income, and this helped them become more involved in decision-making processes and, in the Lao People's Democratic Republic, even to be elected as village head and district chiefs.

G. MEASURING THE SUCCESS OF ALTERNATIVE DEVELOPMENT

Challenges in the evaluation of alternative development interventions

In its resolution 45/14 of 15 March 2002, the Commission on Narcotic Drugs urged Member States to facilitate “a rigorous and comprehensive thematic evaluation for determining best practices in alternative development by assessing the impact of alternative development on both human development indicators and drug control objectives and by addressing the key development issues

134 Colombia, Administrative Unit for Territorial Consolidation, Research Center on Ecosystems and Global Change and UNODC, *Contribución de los Programas Familias Guardabosques y Proyectos Productivos a la Mitigación del Cambio Climático: Captura y Almacenamiento de Carbon en sistemas Productivos y Bosque Neutral* (Bogotá, 2012).

135 Colombia, Departamento Nacional de Planeación, *Evaluación del Programa Familias Guardabosques y Grupo Móvil de Erradicación: Informe Final* (Bogotá, December 2012); and UNODC, “Alternative Development Programme in Colombia: independent evaluation”.

136 See E/CN.7/2013/8.

137 Colombia, Departamento Nacional de Planeación, *Evaluación del Programa Familias Guardabosques y Grupo Móvil de Erradicación*, sect. 4.1.5.

138 Daniel Brombacher, “Informe final: asesoría de proyecto—recomendaciones para el establecimiento de una línea de base”, report on project BOLI79 (sustainable and integrated management of natural resources in the tropics of Cochabamba and the Yungas of La Paz) dated 28 April 2011, sect. 1.3.

139 The project “Afghanistan: research in alternative livelihoods fund”, was supported by the Department for International Development of the United Kingdom and implemented between 2004 and 2007. See r4d.dfid.gov.uk/Project/60544.

140 USAID/Peru, “USAID/Peru country development cooperation strategy 2012–2016” (Lima, 2012), p. 31.

141 Leik Boonwaat, “Achievements and lessons learned from the balanced approach to opium elimination in the Lao People's Democratic Republic (2001–2004)”, paper presented at the Alternative Development Meeting on Removing Impediments to Growth in Doi Tung, Thailand (13–19 November 2004).

What do the beneficiaries say about the impact of alternative development projects? A woman in Huay Nam Koon, a village in northern Thailand, says: "My life is stable and secure now and I see a positive future for my children."¹⁴² Similarly, another project beneficiary in Thailand explains: "We feel more secure here now because we are in a position to negotiate with the Government. Officials don't come and threaten us any more."¹⁴³ In the former coca-growing areas of Peru, where drug traffickers were highly influential in the 1980s and 1990s, local farmer cooperatives have become successful coffee producers. A member of one such farmers' cooperative, which also runs an organic coffee programme, says: "I do not have to hide any more," he says, "I am proud of what I produce. I pay taxes and I can now provide my whole family with health insurance. Before, I had to hide from the police and I did not feel proud at all, I felt ashamed, because I knew I was doing something illegal."¹⁴⁴

of poverty reduction, gender, environmental sustainability and conflict resolution". In the resulting report, the decline in illicit crop cultivation achieved over the previous 15 years in areas where alternative development had taken place in both the Andean region and South-East Asia were described, although it was acknowledged that "the precise impact of its contribution is not always known".¹⁴⁵

In that evaluation it was also pointed out that baseline studies rarely existed at the project level, often making it impossible to monitor impact at the household and other levels. At that time, the reduction in illicit cultivation was used in most alternative development projects as a measure of impact and changes in human development indicators were not measured. For example, documents on UNODC-supported alternative development project in the 1990s included outputs on infrastructure and agricultural support, social and health services and capacity-building, but the main achievement indicator was usually the reduction of illicit cultivation.

At the national level, the ultimate success of alternative development has often been seen in its contribution to the overall reduction in the area under illicit crop cultivation, although, given its localized nature, its contribution to national cultivation trends is not known. Alternative development constitutes only one of the national strategies applied within a broader package, which contains elements ranging from eradication, conflict resolution and strengthening of the rule of law to overall socioeconomic development. As mentioned earlier, alternative development is not generally an objective in itself, but rather a means to an end: it is aimed at contributing to an enabling environment for long-term rural development without illicit cul-

tivation. This is partly why measuring the coverage, quality and effectiveness of alternative development interventions and services with regard to addressing the drug problem is challenging.

The long-term nature of alternative development interventions is another factor in the complexity of measuring their success. Experience has shown that the success of alternative development in terms of reducing illicit crop cultivation should only be determined after several years of intervention, and attempts to measure success over shorter periods have been found to be counterproductive, particularly when such information is used for immediate action.

The fact that projects take place at the local level but are often evaluated at the national level can also affect perceptions of whether an alternative development programme has been successful or not. A prime example of this is the so-called "balloon effect", which is the shift that may occur when alternative development projects trigger the displacement of illicit cultivation from the area targeted by alternative development to other geographical areas: households may migrate to other areas in order to continue illicit cultivation, or other households may start illicit cultivation to fill the supply gap triggered by the alternative development intervention.

From the point of view of alternative development projects, which are local in nature, the balloon effect caused by this type of displacement is not necessarily a sign of failure. But from a broader national perspective, it can be argued that the balloon effect reduces the effectiveness of alternative development, at least in the short term, as the long-term benefits in terms of creating a new institutional and developmental paradigm may not yet be visible.

Balloon, or displacement, effects have been observed at different levels. For example, the displacement of illegal cultivation to other subnational locations and/or other countries, or the replacement of illicit cultivation with other illegal activities. As when successful law enforcement operations hinder trafficking routes, which may force traffickers to switch to new routes, success in alternative development projects is bound to trigger a certain degree of displacement to areas not targeted by such projects, as long as the conditions that enable illicit cultivation are not addressed in broader geographical terms (whether at the national level or the regional level) and the root causes of illicit cultivation, such as poor developmental infrastructure, governance and rule of law, are not comprehensively tackled.

Broadening the set of indicators used to measure success in alternative development

In the Political Declaration and Plan of Action on International Cooperation towards an Integrated and Balanced

142 UNODC, "Thai alternative development projects showcased at international workshop", 2 December 2011. Available at www.unodc.org/southeastasiaandpacific/en/2011/12/alternative-development-chiang-mai/story.html.

143 *Alternative Development: A Global Thematic Evaluation—Final Synthesis Report*, p. 10.

144 UNODC, "Coffee instead of coca: Peruvian farmers reap the fruits of their labour". Available at www.unodc.org/unodc/en/alternative-development/peru---success-stories.html.

145 *Alternative Development: A Global Thematic Evaluation—Final Synthesis Report*.

NEXUS BETWEEN ILLEGAL MINING AND COCA CULTIVATION IN SAN GABÁN, PERU

Illicit coca cultivation has made a steady comeback in the District of San Gabán, in the Peruvian Region of Puno, since a substantial eradication campaign in 2004 and 2005, with a 7.36 per cent increase in coca cultivation between 2011 and 2013.^a The expectations at that time were that there would be a significantly greater increase in illicit cultivation, predominantly because of its location on the so-called “inter-oceanic highway”, which links Peru with Brazil. Interestingly, however, it was illegal mining, which has been booming in San Gabán since 2012, that provided competition for labour and prevented illicit coca cultivation from increasing further.

In 2013, satellite images were used to investigate the links between illegal gold mining and illicit coca cultivation. While illegal mining increased by 100 per cent between 2012 and 2013 (from 500 to 1,000 ha) on both sides of the Inambari river, illicit cultivation remained relatively stable over the same period. Moreover, it was found that part of the illicit coca cultivation had been replaced by illegal mining, creating substantial direct competition for scarce labour.^b While coca cultivation pays about \$6 per day, illegal mining pays roughly \$13.^c

The example of San Gabán shows that alternative development interventions in such areas would have to address the opportunities and vulnerability of communities to engage in all types of illicit activities.

Illegal mining (shown in red; 2005)



Illegal mining (shown in red; 2013)



a UNODC and Government of Peru, *Perú: Monitoreo de Cultivos de Coca 2012* (September 2013), p. 16.

b UNODC and Government of Peru, *Perú: Monitoreo de Cultivos de Coca 2013* (June 2014), p. 21.

c Ibid, p. 49.

Strategy to Counter the World Drug Problem, it is stated that Member States with the necessary expertise should assist affected States in designing and improving systems to monitor and assess the qualitative and quantitative impact of alternative development with respect to the sustainability of illicit crop reduction and socioeconomic development, and that such assessment should include the use of human development indicators that reflect the Millennium Development Goals (paragraph 43 (d) of the Plan of Action). In paragraph 45 (d) of that text, it is recognized that “poverty and vulnerability are some of the factors behind illicit drug cultivation and that poverty eradication is a principal objective of the Millennium Development Goals”. Similarly, in the United Nations Guiding Principles on Alternative Development, the coupling of human development and crop reduction indicators to measure the success of alternative development efforts is suggested. In paragraph 18 (v) of the Guiding Principles, Member States, international and regional organizations, development agencies, donors, international financial institutions and civil society are asked to “apply, in addition to esti-

mates of illicit cultivation and other illicit activities related to the world drug problem, indicators related to human development, socioeconomic conditions, rural development and the alleviation of poverty, as well as institutional and environmental indicators, when assessing alternative development programmes in order to ensure that the outcomes are in line with national and international development objectives, including the Millennium Development Goals”. The extent to which such broader human development indicators have been used to assess the success of alternative development varies.

Based on their experiences, alternative development experts identified, in an alternative development expert questionnaire administered by UNODC, three essential indicators for measuring the success of alternative development interventions.¹⁴⁶ The most mentioned indicators were: (a) the generation of alternative income from licit activities; (b) strengthened community or producer organi-

146 See the methodology section in the online version of this report.

ALTERNATIVE DEVELOPMENT AND REDUCTION IN NATIONAL ILLICIT CULTIVATION

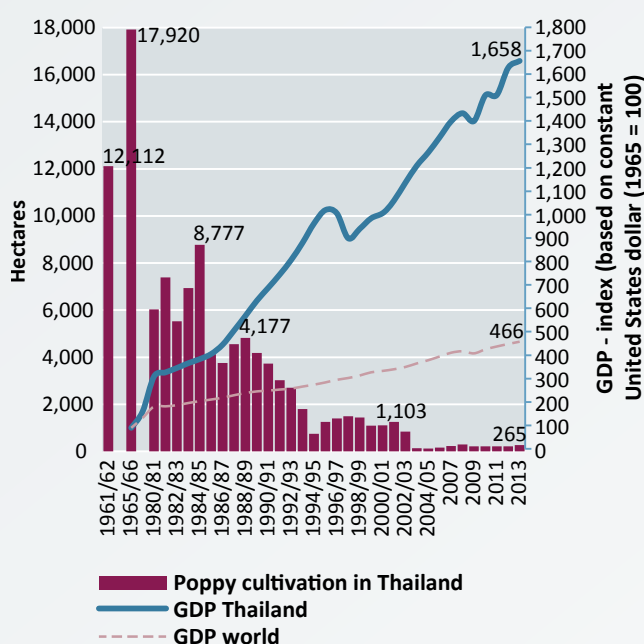
Thailand

The area under opium poppy cultivation in Thailand increased from around 300 ha in 1917 to some 12,100 ha by 1961-1962. Despite eradication efforts, cultivation increased further in northern Thailand in the initial years of the Viet Nam war, to some 17,900 ha by 1965-1966.^a The upward trend in opium production ended with the implementation of alternative development efforts by the authorities of Thailand, starting in the second half of the 1960s (with, notably, the Royal Project in 1969, followed by the Doi Tung Development Project) and gaining in intensity as of the early 1970s, when those efforts were also assisted by the international community, including bilateral donors and the United Nations. The first phase, in the 1970s, focused on cash-crop substitution, the second phase, in the 1980s, on integrated rural development and the third phase, in the 1990s and subsequent years, on community development and the active participation of the hill tribes concerned. The use of alternative development, supported by eradication efforts (which for several years concerned more than half of the area under poppy cultivation), as well as the successful economic development of Thailand as a whole, helped to reduce the area under opium poppy cultivation in Thailand by almost 99 per cent, from 17,900 ha during the period 1965-1966^b to 265 ha in 2013.^c Successful economic development, with an average annual growth of GDP of 6 per cent per year during the period 1965-2013 (compared with a global average of 3.3 per cent),^d helped the hill tribes to benefit from the overall progress made and provided them with alternative sources of income. Importantly, the exceptional leadership provided by King Bhumibol and the late Princess Srinagarindra, who initiated the Royal Project and the Doi Tung Development Project, respectively, in northern Thailand, built trust among the ethnic hill tribe communities, convincing them to shift to a new, legal economy.

Pakistan

Alternative development also appears to have played a crucial role in reducing opium poppy cultivation in Pakistan, particularly in Dir District, located in the North-West Frontier Province (now Khyber Pakhtunkhwa). Opium poppy cultivation in Pakistan, which had increased in the 1970s, declined thereafter by almost 99 per cent, from a peak of some 80,500 acres (32,600 ha) during the period 1978-1979 to 493 ha in 2013. Within this smooth overall

Opium poppy cultivation in Thailand (in hectares), 1961-2013 and gross domestic product index (1965=100) in Thailand and globally, based on constant United States dollars



Sources: Ronald D. Renard, *Opium reduction in Thailand 1970-2000: a Thirty-year Journey* (Chiang Mai, Thailand, Silkworm Books, 2001) (for data for the period 1961-1984); UNODC, *Southeast Asia Opium Survey 2013* and previous years (for data for the period 1984-2013) and World Bank, *Data, Indicators, GDP* (constant 2005 US\$).

trend there were different dynamics at the subnational level. Following successes in reducing the area under poppy cultivation in Buner District, which was linked to investment into crop substitution during the period 1976-1987, opium poppy cultivation shifted to the adjoining Malakand Agency and the Gadoon Amazai area and, following successful alternative development efforts in these regions, it shifted to Dir District. In 1978-1979, the area under opium poppy cultivation in the (then) North-West Frontier Province accounted for more than 60 per cent of the total area under poppy cultivation in Pakistan, and Dir District alone accounted for 50 per cent of total opium production in 1985.

By 1999, following some 15 years of heavy investment into alternative development, opium poppy cultivation in Dir District had largely disappeared, and there were no indications of a significant revival of the opium sector in subsequent years. In a field study conducted in 2000 to assess the impact of the Dir District Development Project, it was suggested that the government of the North-West Frontier Province, with the assistance of UNDCP

^a Renard, *Opium Reduction in Thailand 1970-2000*.

^b Ibid.

^c UNODC, *Southeast Asia Opium Survey 2013*.

^d World Bank, *Data, Indicators, GDP* (constant 2005 United States dollars), available at <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD>.

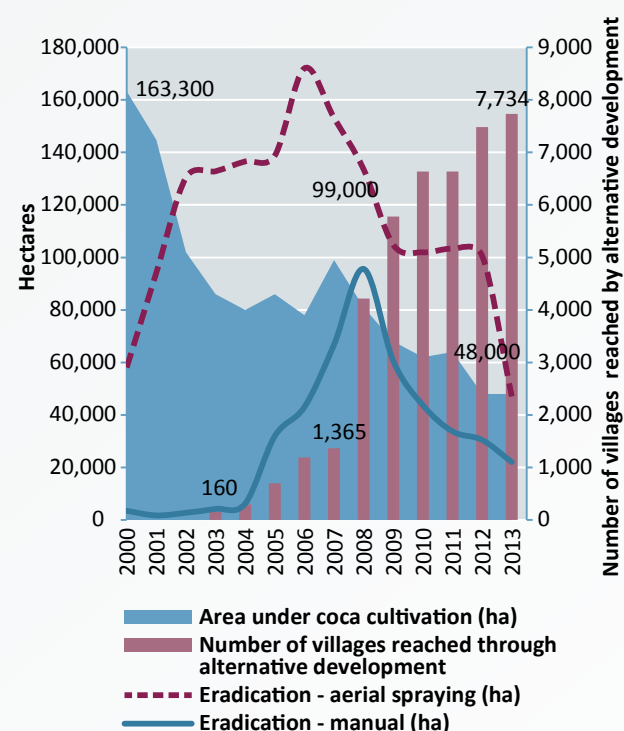
and through the implementation of the Dir District Development Project, had generally succeeded in curbing the cultivation of poppy in the project area. In accomplishing the primary objective (eradication of poppy cultivation), the effective government enforcement “stick” was the overriding factor, while the “carrot” of development interventions had acted as a catalyst to the process. According to the study, farmers felt that, generally, the project interventions had had a positive impact. The construction and the improvement of roads had improved accessibility to social services and had reduced the distance to market of farm inputs, agricultural output and other consumable commodities. The introduction of high-value crops, higher production packages and improved animal breeds, improvements in irrigation-related infrastructure and the introduction of rotational grazing had improved farm productivity. Similarly, provision of drinking water supply infrastructure and an effective immunization programme had had a positive impact on the quality of life.

Colombia

Alternative development also appears to have played a role in the decline in the area under coca cultivation in Colombia, which amounted to 71 per cent during the period 2000-2013. Most of the decline in the initial years can be linked to eradication efforts, but in recent years the extent of eradication has fallen. Nonetheless, cultivation has continued to decline, and the number of villages covered by alternative development quintupled during the period 2007-2013, from 1,365 to 7,734. Those villages were located in 361 municipalities across the country. This points towards alternative development as having played a tangible role in the further reduction of the area under

coca cultivation, particularly during the period 2007-2013, when it declined by 52 per cent.

Area under coca cultivation in Colombia; eradication and villages covered by alternative development, 2000-2013



Sources: UNODC and Government of Colombia, *Colombia: Monitoreo de Cultivos de Coca 2013* (and previous years) and UNODC, *World Drug Report 2014* (and previous years).

zations; and (c) the reduction of illicit crop cultivation. These indicators were mentioned in combination with indicators related to human development, social capital, institutional capacity and political and financial commitment, among others. Indeed, project evaluation documents demonstrate that a multitude of indicators have been used to measure the success of alternative development interventions. But, with the exception of “the area under illicit crop cultivation”, which is often still used as the main success indicator, the others tend to differ substantially from project to project, so the final results are not easily comparable across projects or countries.

In the San Martin Region of Peru, alternative development interventions succeeded in increasing the area under licit agricultural cultivation by 80 per cent, from 252,000 ha in 2001 to 454,000 ha in 2010, which helped San Martin to emerge as the largest producer of oil palm (79 per cent of national production), cacao (33 per cent) and rice (19 per cent), the second-largest producer of bananas and papayas, and the third-largest producing region of coffee (19 per cent) in Peru in 2010. In 2010, the region showed the best economic and social indicators in Peru, including

the greatest reduction in poverty: during the period 2001-2010, poverty decreased from 70 per cent to 31 per cent, a reduction of more than half.¹⁴⁷

The main effects of the Thai-German Highland Development Programme (1981-1998) on households included increased access to education, health services and potable water, with a resulting decline in water-borne infections and diseases such as malaria and smallpox. In addition, new cash crops and a growing agricultural economy in the north doubled or even tripled many household incomes.

Alternative development projects in Wa Special Region 2 of Myanmar resulted in gains on the health front: children under 3 years of age were vaccinated, thus reducing infant mortality, and leprosy, which had previously been three to four times higher than the average rate in Myanmar, was eliminated. Also as a result of the projects, electricity was brought to one township, 10 primary and 2 middle schools were built and potable water was brought to two townships.

¹⁴⁷ “The alternative development model in San Martin”.

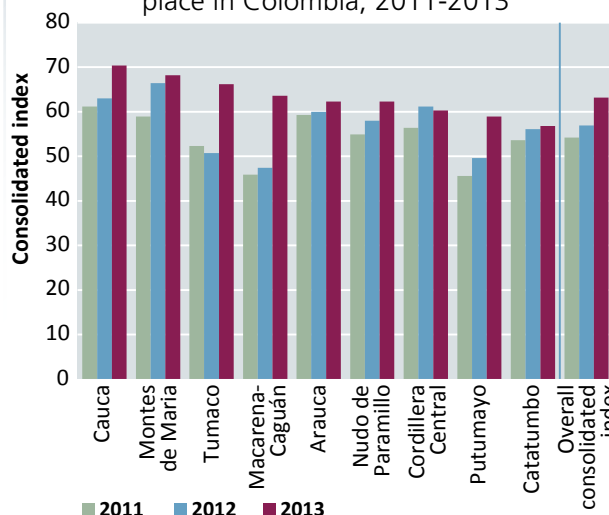
The success indicators used in the Phongsaly alternative livelihood and food security project in the Lao People's Democratic Republic included the creation of a stable food security situation in target households through the introduction of improved agricultural development linked to markets, increased productivity in the cultivation of licit crops by former opium-growing families, the establishment of reliable social and economic support services and improved project management to empower local participation.¹⁴⁸

In Thailand, the Mae Fah Luang Foundation under Royal Patronage has taken the assessment of the success of alternative development some steps further by evaluating its projects based on long-term, "people-centred" human development, socioeconomic and environmental indicators, including per-capita income, education level and environmental regeneration.

Efforts have been undertaken to consolidate the set of indicators that can monitor the impact of alternative development into a unique summary measure. In Colombia, a set of indicators was developed and then combined into an overall composite *índice de consolidación* (consolidation index) to measure the success of the National Policy for Consolidation and Territorial Reconstruction. This policy includes alternative development programmes that go beyond mere crop substitution or provision of alternative livelihoods and include a broad range of state-building interventions in areas which, due to insurgency, drug trafficking and large-scale illicit crop cultivation, were, until recently, beyond Government control.

The development of such a consolidation index appears to have gone back to suggestions made in the evaluation of Plan Colombia,¹⁴⁹ in which the authors proposed developing a multi-year composite index to measure the success of alternative development that should include the following: (a) the number of hectares cultivated with illicit crops; (b) the number of hectares eradicated; (c) the number of municipalities free from illicit crop cultivation; (d) the percentage of the size of the illicit economy per GDP and per the size of the economy in every subnational region; (e) human development indicators of illicit crop farmers and populations vulnerable to illicit crop cultivation (such as level of income per family, levels of literacy and life expectancy); and (f) the availability to illicit crop farmers of comprehensive licit livelihoods resources necessary for legal livelihoods (technical assistance to grow legal crops, irrigation systems, seeds, microcredit, roads that lead to markets, appropriate participation in production value chains, community access to schools, health clinics, etc.).

FIG. 5. Results from alternative development interventions measured in terms of the consolidation index in key areas where alternative development activities took place in Colombia, 2011-2013



Source: Colombia, Department for Social Prosperity, Administrative Unit for Territorial Consolidation.

The consolidation index is used to measure, among other issues, some of the basic elements of alternative development derived from sub-indices describing: (a) the institutionalization of the territory; (b) citizen participation and good governance; and (c) regional integration. These areas were identified by the authorities as the policy's main pillars for the reconstruction of territories that were previously under the influence of groups involved in large-scale illicit crop cultivation, drug manufacture, drug trafficking and insurgency.

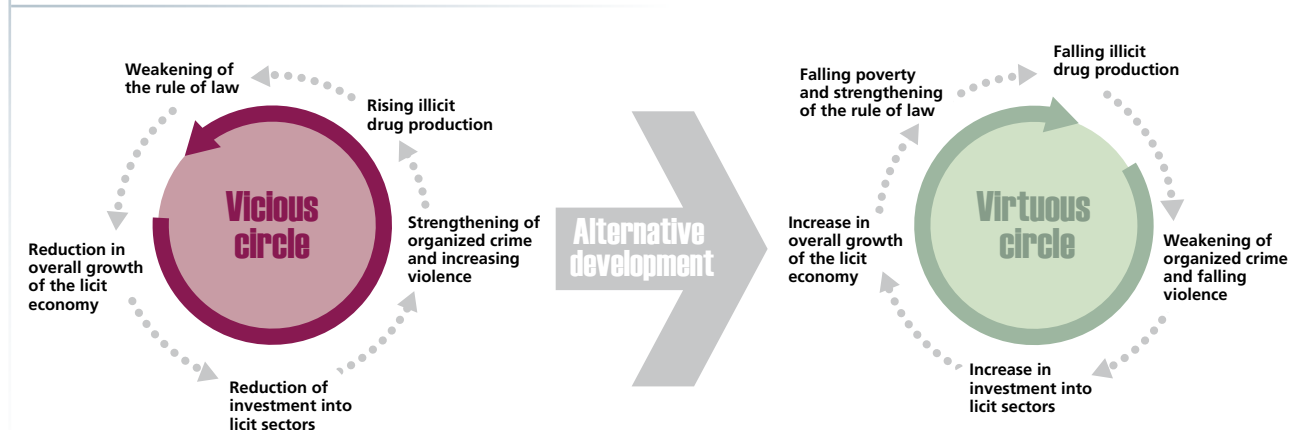
Irrespective of ongoing differences in the various regions, the results emerging from the approach of Colombia show clear improvements in all of the main regions where alternative development interventions took place during the period 2011-2013 (see figure 5). The overall positive outcome, however, should not mask the fact that the situation did not improve across the board. Some areas, such as the Department of Putumayo, improved in some areas (e.g. justice and human rights), while suffering declines in others (e.g. connectivity to rural centres and the provision of social services). The consolidation index was used to measure the scope of the National Policy for Consolidation and Territorial Reconstruction in 58 municipalities. A detailed analysis of this kind across regions provides policymakers with highly relevant information on the successes and failures of alternative development interventions and can help to fine-tune interventions and government responses.

H. POINTS OF FUTURE INTEREST

Drug control may be one of the objectives of alternative development, but it is certainly not the only one. When viewed holistically, alternative development is meant to be

¹⁴⁸ Final Independent Project Evaluation of the Phongsaly Alternative Livelihood and Food Security Project.

¹⁴⁹ USAID, *Assessment of the Implementation of the United States Government's Support for Plan Colombia's Illicit Crop Reduction Components* (Washington, D.C., April 2009), p. 30.

FIG. 6. Impact of illicit drug production and of alternative development interventions

Source: UNODC.

part of a nationwide strategy for poverty elimination. The discussion in this chapter has shown how alternative development, within this broader meaning, has contributed to economic development (mostly in rural areas) in order to target the underlying factors and root causes of illicit drug economies. The new Sustainable Development Goals (the post-2015 development agenda) could bring a new vision and provide alternative development with a new theoretical framework, adding to socioeconomic development — its “traditional” pillar. New elements such as the rule of law and the development of “effective, accountable and inclusive institutions”, as described in Goal 16 in the report of the Open Working Group of the General Assembly on Sustainable Development Goals,¹⁵⁰ are, in part, already addressed by alternative development. These elements have been more prominently recognized as part of sustainable development in the Sustainable Development Goals. This section discusses alternative development in the context of this broader vision of development by highlighting some of its key elements.

Impact of illicit drug production and alternative development interventions

At the national level, the income made by farmers from selling narcotic crops is not substantial in relation to overall national economies: the total farm-gate income from illicit opium and coca production amounted to some \$2.6 billion in the six main opium and coca-producing countries (Afghanistan, Bolivia (Plurinational State of), Colombia, Lao People’s Democratic Republic, Myanmar and Peru) in 2013, ranging from less than 0.2 per cent of GDP in Colombia to about 0.9 per cent in the Plurinational State of Bolivia, 1 per cent in Myanmar and 4 per cent in Afghanistan. The economic value of illicit crop cultivation can, however, be far more significant for communities living in the main opium-producing and coca-producing areas than at the national level. For example,

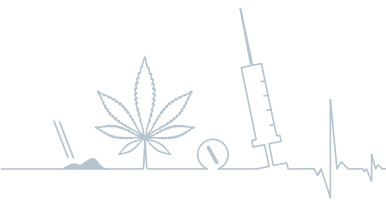
the Province of Helmand in Afghanistan holds just 3.4 per cent of the country’s total population but accounts for close to 50 per cent of the total area under opium poppy cultivation in Afghanistan. About 27 per cent of the total agricultural area in Helmand was under opium poppy cultivation in 2013 and the farm-gate value of opium production there may have reached more than one third of the province’s licit GDP.¹⁵¹

In general, the economic development of rural communities affected by the illicit cultivation of crops depends heavily on illicit sources that do not foster a “healthy” process of economic development. In the long run, areas where large-scale illicit crop cultivation takes place tend to perform less well than other areas as they are often deprived of productive private and public investment, often because of high levels of insecurity. Thus, the International Narcotics Control Board, reviewing the relationship between illicit drugs and development, pointed out that there was a negative correlation between illicit drug production and the economic growth of a country.¹⁵² The World Bank reported that in Afghanistan “opium is becoming ‘capitalized’ in the economy and society, affecting agricultural sharecropping and tenancy arrangements, land prices, urban real estate, bride prices in opium-producing areas, etc.” and that “this entrenchment of the opium economy and long-term dependence on it will discourage the sustainable development of other economic activities. For example, with rents and sharecropping arrangements increasingly based on opium in many rural areas of the country, it becomes virtually impossible for other cash-earning agricultural activities to take hold.”¹⁵³

151 See the methodology section in the online version of this report.

152 *Report of the International Narcotics Control Board for 2002* (E/INCB/2002/1).

153 William Byrd and Christopher Ward, *Drugs and Development in Afghanistan*, World Bank Social Development Papers, Paper No. 18, December 2004.



All of this impacts on the growth of the licit economy and thus on the living conditions of farmers residing in illicit crop cultivating areas, where they are trapped in a vicious cycle. Illicit cultivation provides them with the necessary short-term economic means to survive but it does not allow the area to develop its licit economy and institutional environment. Alternative development can break this vicious cycle if it effectively addresses the factors hindering a sustainable licit economy, which in the long run can attract investment and help to develop the necessary infrastructure, thus changing and sustaining the livelihood of rural communities (see figure 6).

From Millennium Development Goals to Sustainable Development Goals

The link between alternative development and the Millennium Development Goals was made explicit in the Political Declaration and Plan of Action on International Cooperation towards an Integrated and Balanced Strategy to Counter the World Drug Problem, in which it is stated that Member States should “tackle alternative development in a larger development context through a holistic and integrated approach, taking into account the Millennium Development Goals, with the priority of eradicating poverty” (paragraph 47 (a) of the Plan of Action).

The proposed Sustainable Development Goals are much broader in scope and do not only cover socioeconomic development (which was the primary focus of the Millennium Development Goals); they also recognize a broader dimension of development, which encompasses the environment, participatory and representative decision-making, security and the rule of law.¹⁵⁴

In the discussions on the post-2015 development agenda there is recognition that illicit markets are a great constraint to sustainable development. In its report, the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda recommended that Member States and the international community “stem the external stressors that lead to conflict, including those related to organized crime”.¹⁵⁵ It called upon Member States to pay greater attention to reducing risks and improving outcomes by strengthening the licit sector and focusing on areas where illicit sectors pose significant risks to development and governance outcomes.¹⁵⁶ Similarly, in its report,¹⁵⁷ the Open Working Group of the General Assembly on Sustainable Development Goals recognized that the illicit sector is an element to be addressed in the context of

the post-2015 development agenda and included, within Goal 16, the target of significantly reducing illicit financial and arms flows, strengthening the recovery and return of stolen assets and combating all forms of organized crime by 2030. In the synthesis report on the post-2015 sustainable development agenda entitled “The road to dignity by 2030: ending poverty, transforming all lives and protecting the planet”, the Secretary-General also highlighted that “providing an enabling environment to build inclusive and peaceful societies, ensure social cohesion and respect for the rule of law will require rebuilding institutions at the country level to ensure that the gains from peace are not reversed.”¹⁵⁸

Alternative development within the framework of land governance

As discussed in section F above, the granting and/or enforcement of individual and collective land titles has proved a successful alternative development strategy. Experts have stressed the need for a clear legal framework in which alternative development interventions incorporate proper land tenure rights.¹⁵⁹ The Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security of the Food and Agriculture Organization of the United Nations provide an interesting set of recommendations on how to improve land governance with the overarching objective of achieving food security. Directly linked to efforts to eradicate hunger and poverty, the promotion of secure tenure rights and equitable access to land, fisheries and forests is also very relevant for the planning and implementation of alternative development programmes.

Alternative development within the international trade regime

In section F above, issues related to market access are discussed, notably the requests made at the international level to increase the market access of alternative development products. In the context of the international trade regime, governed by the World Trade Organization (WTO), which determines what States are permitted to do in terms of market intervention and market support, the role of alternative development subsidies was not specifically considered, but some agreements granted preferential treatment to illicit drug-producing countries. One could argue that the limited size and scope of most alternative development projects would hardly distort international markets in any way, but the objective at the heart of many alternative development projects is, nevertheless, to ultimately be competitive in international markets. The question remains as to whether the latter objective requires free market access or preferential trade

¹⁵⁴ See A/68/970.

¹⁵⁵ *A New Global Partnership: Eradicate Poverty and Transform Economies through Sustainable Development: The Report of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda* (New York, 2013).

¹⁵⁶ See also Tim Midgley and others, *Defining and Measuring the External Stress Factors that Lead to Conflict in the Context of the Post-2015 Agenda*, Saferworld Reports Series (London, Saferworld, 2014).

¹⁵⁷ A/68/970.

¹⁵⁸ A/69/700, para. 52.

¹⁵⁹ E/CN.7/2014/CRP.7, p. 4.

agreements that distinguish “alternative” from “regular” products and if alternative development products should receive preferential treatment.

Within the international trade regime, bilateral or multilateral trade agreements have been established to assist farmers in some of the illicit drug-producing countries. The Andean Trade Preference Act provided duty-free treatment for a wide range of export products from Bolivia (Plurinational State of), Colombia, Ecuador and Peru with access to the United States market. The Act was amended in October 2002 by the Andean Trade Promotion and Drug Eradication Act. Intended to open up new markets, support crop substitution and generate viable alternatives to illicit cultivation, the Act targeted countries with illicit drug production, although it was not directly related to alternative development products. Indeed, some of the products of Andean farmers were not included in the act. The act expired in February 2011 but was extended until 31 July 2013 and has not been extended since. Both Colombia and Peru signed bilateral free trade agreements with the United States.

In 1990, the four countries of the Andean Community (Bolivia (Plurinational State of), Colombia, Ecuador and Peru) were granted special arrangements under the European Union's Generalised Scheme of Preferences to combat drug production and trafficking. Later, the special arrangements were extended to a few other countries.^{160,161}

While it provides some illicit drug-producing countries with access to Europe's internal market for a range of agricultural and industrial products, trade support is generally not directly related to alternative development or the (potential) export of alternative development products (similar to the Andean Trade Preference Act and the Andean Trade Promotion and Drug Eradication Act). But by including products such as coffee, beneficiaries of alternative development programmes could potentially benefit. Similarly to the bilateral trade relationship with the United States, the European Union has also agreed bilateral free trade agreements with a number of countries, which could make the Generalised Scheme of Preferences system irrelevant in the future.

The Generalised Scheme of Preferences was changed in 2005 after a WTO legal case in 2002.¹⁶² The WTO ruled that tariff advantages under the Special Arrangements to Combat Drug Production and Trafficking were inconsistent with article I.1 of the General Agreement on Tariffs and Trade, on general most-favoured-nation treatment. This meant that the European Union could not grant

preferential treatment to illicit drug-producing countries, unless it granted the same treatment to other Generalised Scheme of Preferences beneficiaries with similar “development, financial and trade needs”.¹⁶³ According to WTO, this could have been avoided if the preferential treatment of the Generalised Scheme of Preferences had included objective criteria to allow other developing countries that are similarly affected by the drug problem to be included as beneficiaries of the scheme.¹⁶⁴ The 2005 WTO ruling has further limited the possibilities for giving special market treatment to countries affected by illicit drug cultivation.

Alternative development and environmental protection

As illicit cultivation often takes place in national parks, protected forests or protected territories, it can put pressure on, or move, the agricultural frontier. Although alternative development is not generally possible within protected areas (except for livelihoods related to the protection of such areas), the reach of alternative development programmes can include both the area where agricultural or agroforestry activities take place and the area beyond the agricultural frontier. This could be done through general forest protection policies, implemented by the ministries in charge of environmental policies, reinforcing the notion that alternative development is embedded into broader sustainable development and environmental policies. Alternative development can also be implemented in areas adjacent to illicit cultivation areas, which could encourage farmers to move, as well as reduce pressure on protected areas.

In taking such a holistic approach, there will always be compromises to be made in alternative development between boosting rural development (providing jobs and income through alternative livelihoods) and the protection of the environment and biodiversity in an area affected (or threatened to be affected) by illicit crop cultivation or by the crops or livelihoods chosen to replace them.

I. CONCLUSIONS

The analysis presented in the present chapter shows that the international definition of alternative development agreed at the twentieth special session of the General Assembly, held in 1998, is still valid today. Yet alternative development is in a constant state of flux and its success is a result of the piloting of new and often more sophisticated approaches by Member States. National alternative development strategies vary considerably, but almost all address food security and quality of life in terms of broader socioeconomic indicators, in line with the

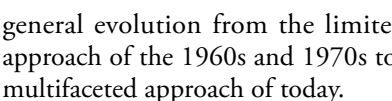
160 European Commission, *The European Union's Generalised System of Preferences GSP*, 2004.

161 European Commission, “Practical guide to the new GSP trade regimes for developing countries” (December 2013).

162 Dispute Settlement, *European Communities—Conditions for the Granting of Tariff Preferences to Developing Countries*, Dispute DS246 (20 July 2005).

163 *European Communities—Conditions for the Granting of Tariff Preferences to Developing Countries*.

164 Ibid.



general evolution from the limited crop substitution approach of the 1960s and 1970s to the comprehensive, multifaceted approach of today.

Success in alternative development is still viewed in the context of reducing illicit cultivation, but the impact of programmes is now more broadly assessed, in terms of the eradication of extreme poverty and in terms of human development, gender equality and women's empowerment, and environmental sustainability. The United Nations Guiding Principles on Alternative Development have pushed the international agenda further, emphasizing a multidimensional approach and the need to focus on improving land governance, strengthening the justice and security sectors, promoting human development and protecting the environment. Some countries are already addressing these issues and experimenting with new approaches.

The Sustainable Development Goals, as proposed by the Open Working Group of the General Assembly on Sustainable Development Goals, could provide the framework for developing such initiatives further and provide a new impetus for alternative development, adding elements of rule of law and governance to the "traditional" pillars of socioeconomic development. Experiences in Afghanistan, Colombia and Peru have shown that minimum levels of rule of law and of security need to be established for sustainable results in alternative development to be achieved.

The Sustainable Development Goals point to the crucial role of environmental protection. This underlines the importance of continuing to develop new alternative development approaches to environmental conservation and protection, such as linking sustainable agricultural production at the local level to the international market for carbon credits. To fully embrace environmental protection, alternative development needs to be embedded into broader sustainable development and environmental policies that enable a compromise to be made between rural development and the protection of the environment and biodiversity. The Sustainable Development Goals could also provide the framework for linking land tenure more firmly with alternative development. The granting and/or enforcement of individual and collective land titles has proved a successful strategy in a number of alternative development projects and the Sustainable Development Goals recognize that secure and equitable rights to land and natural resources are central to the achievement of sustainable development.

Much of the innovation in improving the effectiveness of alternative development programmes is done at the local level, and a process of connecting "local to global" is currently taking place, in which best practices and lessons learned from local experiences within national strategies are exchanged. This reinforces other efforts by UNODC, the Commission on Narcotic Drugs and other entities to further foster South-South cooperation.

More than 40 years of alternative development experience have led to the conclusion that alternative development works when it has a long-term vision, adequate funding and the political support to integrate it into a broader development agenda. As the present chapter has shown, sustainable results in reducing illicit cultivation in different communities around the world can be obtained when the socioeconomic development of communities and the livelihood of rural households are improved.

Despite the amount of attention given to alternative development at the international level, there is a disconnect between international rhetoric and funding. Alternative development features prominently in documents of the Commission on Narcotic Drugs and the special sessions of the General Assembly on the world drug problem, but the funding for it has decreased considerably in the last few years. The twentieth special session of the General Assembly in 1998 triggered renewed impetus in funding alternative development in the spirit of "shared responsibility", but overall gross disbursements of alternative development funds from OECD countries have declined by 71 per cent since the adoption of the 2009 Political Declaration and Plan of Action on International Cooperation towards an Integrated and Balanced Strategy to Counter the World Drug Problem. In 2013, these disbursements accounted for just 0.1 per cent of global development assistance. By contrast, investment by national authorities, particularly in Bolivia (Plurinational State of), Colombia and Peru has increased over the last few years, often compensating for decreased donor support. Alternative development continues to focus on illicit cultivation of the coca bush and opium poppy, and although countries have expressed an interest in engaging in alternative development to combat the illicit cultivation of cannabis, current programmes targeting cannabis are very limited, despite its widespread illicit cultivation.

Market access for alternative development products is essential, and free trade agreements may have an impact on the marketing of alternative development products. Support for development-oriented supply reduction policies often takes the form of subsidies, which, although they may constitute a negligible part of overall trade, may not be in line with the obligation to prevent trade distortions.

As demonstrated by different national experiences, there seem to be opportunities for the alternative development approach to be extended beyond the context of illicit drug cultivation into other illegal markets. Alternative development could support communities affected, for example, by illegal mining, wildlife and forest crimes, and drug trafficking. This broadening of alternative development could go well beyond the already existing preventive alternative development strategy, which targets areas at risk of becoming illicit crop production areas.