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**Illicit drug traffic and supply: follow-up to the
twentieth special session of the General
Assembly: Action Plan on International
Cooperation on the Eradication of Illicit Crops
and on Alternative Development**

**Thematic debate: alternative development as an
important drug control strategy and establishing
alternative development as a cross-cutting issue**

Strengthening alternative development as an important drug control strategy and establishing alternative development as a cross-cutting issue

Report of the Executive Director**

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* E/CN.7/2006/1.

** The present report takes into account recent consultations.



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I. Introduction

1. The situation with respect to progress made in implementing Commission on Narcotic Drugs resolution 48/9 has been generally positive in the context of decreasing financial resources and the current global political situation. The United Nations Office on Drugs and Crime (UNODC) has taken advantage of the recognition of the importance that alternative development continues to enjoy within the international community, especially as it relates to a sustainable reduction in illicit crop cultivation. To that end, the Office has initiated activities aimed at mainstreaming efforts to combat illicit crop cultivation in the agendas and programmes of Member States and international organizations and development agencies, has executed a number of development projects aimed at improving the socio-economic situation of farmers, while at the same time attempting to reduce illicit crop cultivation, and has strengthened its relationships with the private business sector and civil society, with a view to implementing the recommendations contained in resolution 48/9.

II. The catalytic role of the United Nations Office on Drugs and Crime in alternative development

2. UNODC has focused its major efforts on its role as a catalyst in fostering stronger political commitment and increased support for alternative development programmes on the part of national drug control agencies, which is seen as a core function of its mandate. To that end, UNODC works through its network of field offices to ensure that Member States continue to provide the necessary political and financial framework to undertake alternative development within broad national development programmes, which is being achieved by the provision of technical assistance and funding to strengthen national capacity. The Office has played a critical role in the formulation of drug control policy in general and in alternative development, specifically in Bolivia, the Lao People's Democratic Republic, Myanmar, Pakistan and Viet Nam, among others.

A. Preventing the re-emergence of illicit crop cultivation

3. Illicit crop cultivation is highly capable of change, and UNODC is fully cognizant of that fact. As a result, UNODC is not only targeting its efforts at areas where illicit crops are grown or where illicit crops previously existed, but has also increased its focus on land areas adjacent to illicit crop cultivation zones in order to hinder the expansion or re-emergence of illicit crops as well as to dissuade the migration of labour into areas of illicit crop cultivation. In the past, those issues have confounded programme development and evaluation. In Myanmar, UNODC is involved in "preventive" alternative development. Several townships have been declared essentially opium-free by the Wa Authority over the past 10 years. (A township is a significant administrative unit of the Wa Authority, averaging about 50 villages and towns and some 8,000 persons. The Wa people constitute the major ethnic group in the Wa Special Zone No. 2 and the Wa Authority is autonomous in administering local matters in the Special Zones.) The project has been assisting the townships in the southern Wa region since its inception in 1999 and townships in the

northern Wa region since 2004. As at June 2005, the entire project area included the issues of preventive alternative development in its focus, in response to the reality that while the entire project area will soon be opium-free, there is still a potential for reverting to opium poppy cultivation. The impact of the project is that, in some villages, residents now have viable options to replace at least in part the income formerly derived from opium production (e.g. wet rice production, oil seed production, livestock and new crop production). The project has also led to improvements in the areas of health and education as an outgrowth of its activities. Interest in this approach can be expected to grow in the coming years.

4. In Ecuador, the Government continues to seek international support to develop and finance preventive alternative development projects in its northern border area as part of its national preventive alternative development strategy.

5. Through the UNODC Regional Centre in Thailand and in the context of a diminishing area under opium poppy cultivation, UNODC continues to engage with countries of the region that have eradicated opium poppy through its project entitled "Regional collaboration on community-based alternative development to eliminate opium production in South-East Asia" (AS/RAS/H84). The mode of operation here is to increase collaboration and cross-border cooperation in alternative development and to improve national capacity and information-sharing.

6. Over the last few years, as a result of the eradication programme and alternative development activities, illicit crop cultivation in Colombia has shifted into areas where traditional licit crops had previously been dominant. As a result, the UNODC alternative development programme broadened its policy to address the re-emergence and/or expansion of illicit crop cultivation and increased its focus on the impact of the displacement of a large portion of the rural population. In Colombia there are reportedly more than 1 million forcibly displaced people and fully 75 per cent of Colombian municipalities are affected by the phenomenon. To counter it, UNODC actively supports the Colombian forest warden families (*familias guardabosques*) programme by means of the implementation and monitoring of productive projects (COL/E45 and COL/H48). According to the field data obtained, 52 per cent of the participating families had some kind of previous association with illicit crops and the remaining 48 per cent, while not engaged in illicit crop cultivation, were considered at risk of becoming involved in such cultivation. As a result of the forest warden programme, farmers today engage in activities to improve the quality of their soils, increase crop yield and incorporate value-added activities into projects.

B. Integrating drug control as a cross-cutting issue

7. An analysis of ongoing efforts reported by Member States shows that drug control, including alternative development, continues to be slowly integrated into national socio-economic development programming as a major cross-cutting issue, but that isolated project interventions continue outside of the context of national development programmes that could stand to improve if better coordination existed among project donors, executors and counterpart agencies.

8. The incorporation of elements of alternative development strategies into national poverty reduction strategies continues to be unsatisfactory. The fact that

some countries where there is illicit crop cultivation do not have national poverty reduction strategies or do not emphasize illicit crop cultivation in their negotiations with the international financial institutions is of particular concern.

9. UNODC strongly believes that alternative development must be recognized as a cross-cutting issue that requires a broad and unified approach on the part of all Member States, international and national development agencies, international and regional organizations, international financial institutions and civil society to be fully successful. UNODC has lobbied extensively for this during 2005 and expects to continue to bring the issue to the forefront of its negotiations in 2006.

10. In order to increase support for and attention to alternative development, UNODC has approached the Inter-American Development Bank to strengthen cooperation at the field level and has worked in a focused manner to increase the possibility of gaining access to the Bank's Multilateral Investment Fund. Two initiatives involving the Bank are under final consideration by its Governing Board.

C. A comprehensive approach to wider economic and social development

11. As one indication of its desire to support broad-based rural development, UNODC alternative development projects in the Lao People's Democratic Republic all support land titling and the establishment of saving and credit systems for village funds. The case study from the Sam Neua alternative development project (LAO/D35) was profiled at the micro-finance exhibition in Vienna in early 2005. A village development committee from Ban Tabong was selected in 2005 for the United Nations award for utilizing project-supported micro-credit funds to undertake poverty reduction activities. The UNODC alternative development project in northern Phongsaly (LAO/01/F12) has also provided support to micro-finance and different forms of village revolving funds for project target communities.

12. The Myanmar programme has helped start savings programmes in groups and villages and has also promoted the establishment of revolving funds in other villages with some measure of success. UNODC expects to be able to expand such programmes into other UNODC projects based on the lessons learned. Programme impact has been significant in some villages, where the villagers now have access to cheaper rice, new varieties of high-yield seeds, fertilizers and human and veterinary medicines and vaccines and, in some instances, the funding to start small-scale micro-enterprises.

13. With respect to land ownership, the programme in Myanmar has assisted the Wa Authority to issue land use rights to villagers in the principal irrigation areas developed by the programme (the Mong Kar scheme). The project will continue to advocate the granting of land title and land use rights to villagers and the inclusion of land titling projects in national development programmes.

14. The UNODC Field Office in Myanmar is aware that a critical component of its operations is strengthening the capacity of local communities and institutions, which has been a major focus of the country programme and has led to some significant results. Village participatory development groups have been established

and are operational in all long-term projects. All villages where the programme has been operating for an extended period have several operating thematic villager development groups created by the programme. Those groups have trained individuals in a variety of subjects, such as health, veterinary science, farming and road building and infrastructure. The programme has also supported the training of teachers in about 40 local schools and supports adult literacy and formal schooling. All townships that have been long-term participants in the project have a functioning development committee assisted by the programme. The project also supports computer training and regular planning sessions at the higher levels of the Wa Authority. The impact has been significant in all the project villages that have been long-term participants in the project where residents are now able to plan and implement their own development options with reduced outside assistance. This enhances sustainability and helps to create a cadre of potential experts and teachers to assist efforts in nearby communities.

15. In Peru, farmers' organizations have been advised and strengthened by UNODC activities and are now successful in obtaining international credits from a number of banks and lending institutions to support marketing activities in speciality and fair trade markets. Through a fiduciary fund established by UNODC in association with a private national bank, credit is being offered to farmers' organizations to improve harvesting and post-harvesting technologies and marketing, thus ensuring short- and medium-term success for alternative development and modelling effective project implementation for other linked efforts.

D. Protecting the environment

16. All UNODC programmes and projects take into account the impact that related activities may have on the environment and incorporate mechanisms to minimize impact and conserve natural resources. UNODC also promotes the sustainable use of forest resources in national programmes of environmental conservation and management. For example, the Field Office in Myanmar has identified the need to scale up its activities in environmental conservation. To date, it has been able to include small but important developmental pilot demonstrations by setting up village wood lots to conserve natural forests, grass contour strips and earth contour trenches for soil conservation. The inclusion of reforestation into the programme, although recognized as critical, has been hampered by land ownership problems, but the increased environmental conservation efforts will help to solve such issues and to increase overall project legitimacy and support.

17. During the past year, the UNODC alternative development programme in Colombia has been modified by the Government through Plan Colombia, leading to a merging of the alternative development concept with agricultural and forestry initiatives, based on the understanding that there is a need to distinguish between lands that are inside and outside the "agricultural frontier" of the country. Consequently, UNODC is implementing new alternative development projects by promoting forestry, productive and sustainable uses of woods, commercial plantations and productive wood development (for example, project COL/H70). UNODC understands that many farmers have a natural vocation to undertake renewable forestry projects. As a result, UNODC continues to fully support the

Government's forest warden family programme. One issue that continues to confound programme impact is the lack of land titling. In Colombia, the recent trend has been the concentration of land by a few and the expulsion of small-scale farmers to areas with no land title. This has caused an increase in clear-cutting, resulting in soil erosion and general land degradation.

18. UNODC projects in Peru take into account best practices in environmental protection in order to avoid deforestation and promote agro-forestry and rational exploitation of forest resources. In Peru, land titling is envisaged as part of the forestry sub-projects financed by the Government.

19. The lessons learned in both Colombia and Peru concerning the issue and impact of land titling will be used to inform other projects where the problem exists.

E. A balanced approach

20. UNODC fully recognizes the importance of creating a balance between law enforcement, interdiction, eradication and alternative development. The role that each element plays in individual UNODC programmes is based on existing circumstances, the target populations and local conditions. The Office attempts to minimize the impact that eradication measures have on small-scale farmers by properly sequencing development assistance and eradication. It also attempts to engage other partners in order to raise awareness of the need to properly consider the fusion of eradication and law enforcement in development assistance. However, it must be emphasized that, in certain instances, UNODC has been unable to dissuade some partners from measuring the impact of some unilateral interventions that seek to eliminate illicit crops without taking into account the need for the development of alternate income-generating opportunities. That failure can and will lead to decreased impact and the potential for both continued illicit cultivation and human misery.

F. Empowering the community; gender mainstreaming

21. Through its long history of involvement in alternative development, UNODC has learned the importance of empowering local communities in order to provide them with the necessary tools to better represent themselves in project management and decision-making. In Colombia, one lesson learned is that supporting the creation and strengthening of farmers' organizations is the best strategy for successful development at the regional and local levels, since it results in the generation of strong social capital and ultimately becomes an effective mechanism for communication between the Government, local authorities and the farming communities. The establishment and/or strengthening of farmers' associations is a critical contributing factor that has a direct impact on project outcomes. One of the principal factors for successful alternative development is the capacity to provide the farmers' associations with much-needed negotiation skills through training in management, leadership, democracy, equality, full and equal gender participation and social responsibility. This ultimately creates a situation where the community is not viewed as a beneficiary but rather as the operator and manager of projects, again making possible sustainability.

22. One of the efforts made by UNODC to empower communities has been raising awareness of the need to address appropriate gender participation as an important element of alternative development programmes. A UNODC case study of the Lao People's Democratic Republic's alternative development programme indicates that women have been increasingly empowered after the elimination of opium poppy. Although women did almost 80 per cent of the most demanding work to produce opium, it was the men who took the opium to market and controlled the proceeds. After cultivation of opium poppy was eliminated, women had more time to grow vegetables, raise livestock, weave textiles and market the products themselves, thus empowering them and improving their status in many remote mountain communities.

23. In Peru, UNODC is attempting to empower communities and local authorities through decentralization projects. The Field Office in Peru continues to provide the National Commission for Development and Life without Drugs (DEVIDA) with the necessary tools to strengthen its ability to decentralize drug control activities to local and regional authorities. To date, UNODC has assisted DEVIDA in the establishment of seven decentralized provincial sub-centres and the upgrading of basic office and communication equipment. The Office has also contributed to the production of a number of feasibility studies and technical papers to assist in research and project formulation. Equally important, its efforts in Peru have helped establish a drug control project monitoring unit in DEVIDA aimed at strengthening internal capacity for monitoring and evaluating project impact and developing appropriate and real-time responses.

G. Partnerships with the private sector

24. UNODC has a rich history of partnerships with many international organizations, financial institutions and development agencies. UNODC recognizes that partnering is a critical factor in ensuring programme success and sustainability. At the same time, it also understands the importance of creating strategic alliances and partnerships with the private sector and civil society.

25. UNODC is actively engaged in creating and/or strengthening relationships with the private sector in order to assist in making effective use of the social responsibility role that many private sector corporations have included in their corporate missions. One area of importance is the role that the private sector plays in the marketing of alternative development products. In Colombia, for example, UNODC has successfully concluded a marketing agreement with a major French multinational supermarket chain. The agreement is aimed at providing that chain with hearts of palm and beans from Putumayo, bananas from Meta, tomatoes from Nariño, beans from southern Bolívar, coconuts from the Pacific coast (Tumaco) and coffee from Cauca, as well as 30 other products from UNODC alternative development projects. UNODC has also partnered the exporting firm Cooperativa del Sur del Cauca (COSURCA) to export organic coffee to its international customers and has signed a marketing agreement with a major multilateral corporation to market milk from UNODC projects in Caquetá. These marketing agreements with the private sector have led to important changes in the traditional ways of approaching alternative development. The assured and continual demand

for products from alternative development projects constitutes a basic component in making UNODC activities sustainable.

26. In a similar undertaking in the Lao People's Democratic Republic, UNODC has partnered private traders for the marketing of non-timber forest products, livestock, maize and textiles.

27. In Peru, a strategic partnership agreement has been signed by the three palm oil organizations established by UNODC projects to enhance the socio-economic development of palm oil production and to strengthen farmers' organizations. Other strategic commercial alliances have been promoted by UNODC between major multinational corporations in Spain, Switzerland and elsewhere and companies in Peru and to market cocoa, coffee, palm heart and palm oil. In association with the Embassy of France in Peru, UNODC established another strategic alliance between the Asociación de Ganaderos y Agricultores del Palcazu (AGADIPAL) of Peru for a major French cattle breeder to introduce genetic improvement in beef cattle. Such efforts highlight both the promise of private sector partnerships and the broad applicability they can provide. Strategic alliances between UNODC projects, the private sector and foreign import/export companies are enabling Peruvian farmers' enterprises to place some \$36 million worth per year of speciality coffee, organic cocoa and palm heart in demanding markets in Japan, Europe and North America. UNODC projects already account for 10 per cent of total Peruvian exports of coffee, 34 per cent of palm heart exports and 55 per cent of cocoa exports.

28. UNODC's desire to establish or strengthen such partnerships is not focused solely on the private sector and international organizations, financial institutions and development agencies, but on civil society in general. UNODC fully recognizes the importance that civil society plays in shaping policy and programme development on issues of alternative development. The concepts and points of view of civil society are key to promoting an open dialogue with a view to improving the way policy is formulated and articulated. In that context, UNODC is redoubling its efforts to reach out to all sectors of civil society that should be involved in alternative development. In the field, UNODC continues to work with civil society to address alternative development within specific country parameters.

H. Strengthening the capacity of the United Nations Office on Drugs and Crime

29. In the context of strengthening its internal capacity to provide leadership and technical guidance to Member States and partner institutions, UNODC has increased its alternative development staff at headquarters from one to two full-time Professionals. The unit will focus on providing technical assistance to Member States and field offices in areas of policy development, project design, execution, evaluation and monitoring. An expert group meeting was organized in December 2005 with a view to receiving independent external guidance as to how UNODC could increase the effectiveness of its interventions given the fluid nature typical of development-oriented drug control. Likewise, it is incorporating the findings of the final synthesis report, *Alternative Development: a Global Thematic Evaluation*,¹ into the design, execution and evaluation of its programme. UNODC will also address the findings contained in the report produced by the Independent

Evaluation Unit in November 2005, "Thematic evaluation of UNODC's alternative development initiatives", in order to redefine internal processes and the approach UNODC takes in its global alternative development programme.

III. Conclusions

30. It is clear from the progress made in implementing resolution 48/9 that a strong political commitment exists on the part of Member States, international organizations, development agencies and financial institutions. However, the translation of that strong political commitment into effective on-the-ground action has been hampered by a lack of stable technical and financial resources. This is clearly evident in the number of partially funded projects, project ideas and concepts and can best be measured by a review of the reach of project activities and the statistics that identify the number of families that benefit from or participate in alternative development projects. It is clear that more must be done to increase accessibility to projects.

31. Equally important is the need to consider the impact that certain trade policies and systems of preferences can and do have on the marketing of alternative development products. The issue of subsidies and their impact on the competitiveness of alternative development products is clearly not fully understood.

32. The use of indicators such as the number of illicit crops reduced as principal measures of the success of alternative development needs to be re-examined. Indicators gauging progress in social welfare improvement, such as new income-generating opportunities, should be used to measure impact and serve as the basis for funding consideration.

33. Although the importance of addressing development-oriented drug crop control activities is now being considered by international financial institutions and Member States in a broader development concept, there is still a lack of mainstreaming, shown by the many examples of efforts that have been duplicated or have proved inadequate as a result of not incorporating alternative development into general national development programmes.

34. The lack of focus on land tenure rights, micro-credit mechanisms and marketing support by some Member States and development agencies has undermined projects and created barriers to sustainable project activities.

35. The participation of the private sector in marketing and product support is vital for project success. Projects that have successfully engaged the private sector have, for the most part, been able to satisfy the marketing goals and have overcome the principal bottleneck for productive projects, the lack of markets. The role that civil society plays in developing policy and project activities is undeniably important and has thus far led to an open dialogue between policymakers, practitioners and academics.

36. The importance of law enforcement and eradication in alternative development projects is fully recognized. UNODC understands the need to fuse eradication with development-oriented crop control, but at the same time recognizes that each project should measure the impact that eradication may have on its overall goals of creating the necessary social and economic conditions to dissuade farmers from engaging in

illicit crop cultivation. There are clear examples where eradication without the necessary economic and social support systems may be judged to have been counter-productive in the short term.

37. Although UNODC has increased its in-house technical support capability, it still needs to evaluate its current policy and subsequently identify the approach it will take in the future given the funding limitations and the dynamic nature of illicit crop cultivation.

IV. Recommendations

38. International organizations, financial institutions, and development agencies and Member States must provide stable and adequate funding to alternative development programmes and projects. Projects cannot be expected to fulfil all the original objectives if funds are inadequate and sporadic. Donors should take this into account when taking decisions to fund projects and development agencies must also consider it when designing projects.

39. Although some progress has been achieved, more serious efforts need to be made to increase the awareness on the part of the international financial community of the importance of including development-oriented drug control interventions in their overall national development programme for concerned Member States. All interested and involved Member States and the international community should mainstream alternative development within broader development programmes.

40. The international community is urged to support Member States in their efforts to implement preventative alternative development programmes, either by incorporating them in wider national development activities or through poverty reduction strategies, in association with the international financial institutions.

41. Member States, international development agencies and financial institutions and donors should ensure that proper care is taken in the design of development activities. To that end, adequate funding should be made available for feasibility studies and research on the forces behind illicit crop cultivation.

42. Programmes and projects supported or implemented by the international community and Member States need to take into account the basic principle of land tenure and its importance to rural development. In that connection, UNODC projects will incorporate, to the extent possible, land titling activities into existing alternative development programmes. Likewise, UNODC should champion the concept when designing projects in association with other partners and Member States.

43. UNODC will take the lead in engaging the private sector, in particular large multinational corporations, to seek their assistance, both technical and financial, in support of productive development projects. UNODC should explore regional support mechanisms with the private sector and seek close cooperation with other regional organizations involved in the area, such as the African Union and the Organization of American States.

44. In order to better utilize scarce resources and work in the best general interest, UNODC will assess its current approach to alternative development, using sources

such as the findings of the report *Alternative Development: a Global Thematic Evaluation* and the report of the Independent Evaluation Unit, “Thematic evaluation of UNODC’s alternative development initiatives” (see para. 29 above).

45. UNODC will concentrate on improving its coordination with the national counterpart agencies in order to prevent duplicating efforts and avoid supporting activities that are isolated from other similar initiatives. Projects will thus seek to involve a wide range of national development agencies to gain their support in focusing on specifics such as environmental conservation, access to micro-credits, access to land ownership and titling and enhancement of the operational capacity of local communities and institutions.

46. In order to take full advantage of the investments made so far in alternative development programmes, UNODC will focus on ensuring that mechanisms are in place to allow for the sharing of experience and best practices and to promote cooperation among Member States.

47. UNODC will strengthen its core assets to better serve the international community. It will also strengthen its ability to serve as a centre of excellence to provide information, technical assistance and policy advice to Member States and to international organizations, development agencies and financial institutions.

48. UNODC is initiating a study on the world cannabis market, the results of which will assist Member States in developing appropriate policies.

49. UNODC will initiate dialogue with interested Member States, the international community and civil society to define its future role in alternative development programmes and to establish a comprehensive policy in order to assist Member States in achieving the goals of the Action Plan on International Cooperation on the Eradication of Illicit Drug Crops and on Alternative Development (General Assembly resolution S-20/4 E) and the Millennium Development Goals (A/56/326, annex).

Notes

¹ United Nations publication, Sales No. E.05.XI.13.
