Sustaining Opium Reduction in Southeast Asia: Sharing Experiences on Alternative Development and Beyond

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Sustaining Opium Reduction in Southeast Asia: Sharing Experiences on Alternative Development and Beyond
# Table of Contents

**Foreword**

**Part 1: Regional Overview**

Mainstreaming Alternative Development in Lao PDR, Myanmar and Thailand: UNODC and a process of learning

**Part 2: China**

China: Facilitating Cooperation and Striving to Build a Brand New Harmonious Drugless Golden Triangle

**Part 3: Lao PDR**

Lao PDR’s Experience of Sustainable Alternative Development and Opium Reduction

Houaphanh Alternative Development Projects - Village Based Development Component

Social and Economic Rehabilitation for Former Opium Poppy Growing Community—Alternative Livelihood Development, Oudomxay Province, Lao PDR

Phongsaly Alternative Development Fund (PADF), Phongsaly Province, Lao PDR

Alternative Livelihood for the Upland Ethnic Groups of Houaphanh Province, Lao PDR Project: ADB JFPR 9177 LA

**Part 4: Myanmar**

Myanmar’s Experiences of Sustainable Alternative Development and Opium Reduction

Wa Alternative Development Project (RAS C25)

Food Security and Sustainable Livelihood Programmes in Myanmar

**Part 5: Thailand**

Thailand’s Experiences of Sustainable Alternative Development and Opium Reduction

The Royal Project Foundation: Towards Sustainable Highland Development

**Conclusion and Recommendations**

**Appendix**

**Acronyms**
Foreword

Since the 1998 UNGASS, opium production in Southeast Asia has declined by some 67% from 1,437 tons in 1998 to 469 tons in 2007. The area under cultivation has also declined by over 80% from 158,230 hectares to 29,200 hectares during the same period. These significant results have been achieved through alternative development efforts beginning first in Thailand from the 1970s. This was followed by other alternative development efforts in Myanmar, Laos and Vietnam. Vietnam, Thailand and Laos marked their success in significantly eliminating opium poppy in 2000, 2003 and 2006 respectively.

However there has been a 26% increase in opium poppy cultivating areas in South East Asia from 2006 to 2009. The global economic crisis has resulted in plummeting commodity prices that has coincided with increases in the price of opium. These two levers are contributing to a resurgence of opium production that is threatening to undermine years of success. This is compounded by other geo political as well as trans-boundary threats. Unchecked the situation could spiral out of control and could undermine stability, security, trade and development as well as efforts to eliminate poverty and achieve the millennium development goals.

More than ever before there is a need for a global partnership as well as expanded alternative development efforts to sustain opium elimination. There is a need for Governments, donors and alternative development practitioners to seek comprehensive as well as efficient and effective policies, strategies and programmes to sustain opium elimination while ensuring a life of dignity for the vulnerable communities that used to be dependant on opium. It is important that opportunities to eliminate poverty and also ensure sustainable human development processes are accessible to these communities.

I would like to thank Dr. Sanong Chinnanon for his dedication and efforts to organize this important seminar to sustain opium reduction in Southeast Asia and share experiences on Alternative Development. I hope that the findings documented will lead to expanded efforts that will contribute to sustaining opium elimination while helping vulnerable former opium poppy cultivating communities to continue to improve their lives.

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1 May 2009
PART 1. REGIONAL OVERVIEW
Mainstreaming Alternative Development in Lao PDR, Myanmar and Thailand: UNODC and a process of learning

Presented by Dr. Ronald D. Renard, UNODC Consultant

INTRODUCTION

Alternative Development was pioneered by the United Nations Office on Drugs and Crime (UNODC) and its predecessor organisations, the United Nations Fund for Drug Abuse and Control (UNFDAC) and the United Nations International Drug Control Programme (UNDCP). Since 1971, when work focused on crop replacement, the process has evolved until it has become a comprehensive response to the cultivation of illicit crops – comprising development, demand reduction, and law enforcement – which addresses issues of poverty, addiction, and criminal behavior.

The pace and scope of work in the three countries of the Lao PDR, Myanmar and Thailand have varied considerably. Thailand reduced poppy cultivation significantly in 1984 while Laos only managed to do the same in 2006. In Myanmar, although cultivation is much reduced from a decade ago, the amount of opium produced has actually increased in the past two years.

Although various reviews of the alternative development (AD) process have been written, particularly in Thailand, there has never been a comparative analysis of the neighboring countries’ work. Similarly, there have never been analytical studies on what role mainstreaming has played in reducing poppy cultivation in the Lao PDR and in Myanmar.

This is a critical gap given the fact that poppy cultivation is far from ended in Myanmar and there is a continued need to sustain the elimination of opium in Laos. At the same time, because of these significant reductions in poppy cultivation, donors are assuming that the job is all but over and funding for AD is harder to obtain than ever.

Mainstreaming of AD has taken place in all three countries according to the differing situations in each. In Thailand, after 30 years of experience, government agencies and monarchy-supported projects have fully adopted AD principles while also making their own contributions to the AD concept. In the Lao PDR, AD is now being integrated into the National Growth and Poverty Reduction Strategy and the work of several governmental agencies. In Myanmar, despite budgetary shortages and other difficulties, government agencies such as the Ministry for the Progress of Border Areas, National Races and Development Affairs (commonly referred to as NaTaLa) have adopted the AD approach and implemented activities in this manner. In all three countries, UN agencies have cooperated in different ways in doing AD which itself represents mainstreaming within the international development community.

This report is intended to be an analytical study identifying lessons learned (both
negative and positive) so that good practices can be highlighted to serve as guidelines for future work within the broader development framework. The study will review lessons learned regarding partnership development and working collaboratively for a common goal.

This will contribute directly to the formulation of the AD component of the National Masterplan in the Lao PDR, currently being drawn up, as well as to the expansion of the Myanmar AD programme into areas where poppy cultivation is currently expanding. Furthermore, this will also contribute to the role regional projects can play and help identify assistance they can provide to AD not only in Laos and Myanmar but also to other countries in the region, such as China and Thailand, where poppy was cultivated commercially.

ESTABLISHING A SHARED VISION

When alternative development work first began in Laos, Myanmar and Thailand, the three national governments and the poppy growers followed lifestyles divergent in many ways. Besides speaking different languages, relying on radically different agriculture practices, and adhering to administrative systems quite unlike each other, in some cases the growers were living in areas controlled by rebel groups actively fighting their governments.

One might suspect that when these governments made the decision to ban opium poppy cultivation they would come into direct conflict with the growers. Even though most farmers in fact earned less money from growing opium, their leaders and those organising the opium trade surely did profit from poppy cultivation. These individuals could well be expected to have opposed government efforts to eliminate poppy cultivation. They had their own interests, their own livelihoods, and their future plans to consider and one would assume they would certainly not want to let them be compromised by anti-papoy efforts. However, a different set of events unfolded. Agreement was reached in various ways with government leaders and heads of minority groups that poppy cultivation should be brought to an end. Rulers as diverse as Field Marshal Sarit, in Thailand, and the head of the Wa Authority, in Myanmar, agreed that the practice was uncivilised, out of date, and interfered with the development of their constituencies.

In the early 1990s, there was already information that heads of opium trading groups, such as Khun Sa in Myanmar, were turning to amphetamine-type stimulants (ATS) as a new drug-related enterprise. Partly this was because ATS were chemical-based, did not rely on a cultivated crop and could thus be manufactured out of sight. Furthermore, since ATS have a much wider potential market than opium, the chance for bigger profits was also attractive to these drug cartels.

The fact that eliminating opium was in some way connected to the growth in popularity of amphetamines is not an indictment of AD or of the efforts to control poppy. Rather it is a symptom of the growing strength of the criminal culture that had emerged during the time when poppy cultivation was legally possible for some but not for others. In this way, the criminal element of drug production was able to expand to the point where it could take advantage of new opportunities even while control measures on poppy cultivation were being implemented.

This has led to security becoming an increasing issue for AD projects. There have
been several cases in recent years of staff members in projects both the Lao PDR and in Myanmar being questioned, apparently by persons connected with drug cartels, about their actual intentions. This will continue to be a concern in AD work in the Mekong region and elsewhere.

As for AD work in the three countries, when the political will to eliminate poppy growing took shape, in all cases the governments lacked the financial, technical, and human resources to do the job in ways that would provide new and appropriate livelihoods for the ex-growers. This was the case with Thailand in the 1970s as well as more recently in the Lao PDR and Myanmar.

The first agency to work with these governments in all cases was UNFDAC (or UNDCP or UNODC). Although some other agencies, such as the United Nations Development Programme (UNDP) or World Food Programme (WFP), had carried out some development-related activities in or around the poppy-growing areas, these were almost inevitably small, short-term, or left incomplete.

Since the start of UNFDAC’s work in 1971, the agency has been able to gain cooperation of all stakeholders. By the 1970s, all the governments had reached the conclusion that uncontrolled opium cultivation interfered with national development. Smaller groups, even those who had been in rebellion against the state, also agreed that opium cultivation should be halted. In 1990, even before UNDCP had begun working in the Wa Region, the Wa leaders had proclaimed that they wanted to ban the substance after a certain amount of development occurred so that the growers would not face serious problems in making a living. In the Lao PDR, other priorities delayed the implementation of measures addressing poppy cultivation for another decade.

Very few issues have evoked such unity between the UN, national governments, and ethnic minority groups. The use of opium has been almost universally recognised as having so many negative features that all those involved in rural development in the Mekong region agree that opium replacement is a priority.

This shared vision is as rare as it remains incomplete. While much has been learned about how to carry out alternative development, there are many contending ideas on how it should best be done. When AD was first being implemented in Thailand, UNFDAC cooperated with the Royal Project Foundation in Thailand in following the concept of crop substitution, there were others, such as the Royal Forest Department, that advocated resettlement as the best way to deal with the growers. In Laos, questions arose between UNDCP and the Lao Government over how quickly opium elimination should be implemented. In Myanmar, UNDCP/UNODC and the Government took some time to work out a satisfactory method of implementation that allowed for the appropriate relationship with the Wa Authority to be established.

Questions have also been raised by persons outside UNODC about its approach to the reduction of poppy cultivation. Partly this has been caused by UNODC’s inability to publicise its accomplishments in all areas but in particular regarding alternative development. There are many outside the organisation who seem to believe that UNODC really does have the power and authority to compel national governments to carry out opium bans or other such drug control measures. In such cases, people do not understand the relationship between UN organisations and the government with
which they work. In other cases, there are reports by scholars or others who are well-meaning but who do not have all the relevant data and, thus, (unintentionally or intentionally) misrepresent the actual situation. Sometimes the negative publicity generated by such people interferes with the work or convinces donors that UNODC projects are counterproductive or do not yield enough benefits and thus should not be supported.

This also highlights the fact that the learning process is on-going. In the early years, UNFDAC was learning how to replace opium. Various techniques were devised and adapted until a viable, flexible approach was put together. Cooperation with the governments and also with the cultivators increased. After time, most stakeholders generally accepted the approaches being presented, including the community-based, participatory work that leaders in all three countries had initially doubted would be effective. Even within Thailand’s Royal Forest Department which has had a number of disagreements with poppy growers and ex-growers, the Community Forestry Unit (with direct links to UNFDAC’s projects in the 1980s) has grown more vibrant and more influential as a result of its contact with AD. Similarly, very rural groups, such as the Wa Authority, who initially actively opposed such local initiatives, have later come to tolerate participatory approaches if not actually support them.

However, there are others, outside government and perhaps from other countries, who are not so convinced or even tolerant. For example, in 2004, on an evaluation of the Lao-Norwegian Church Aid AD project in Muang Long, Lao PDR, a colleague and I visited the headquarters of the GTZ AD project located in the adjoining district of Muang Singh. When I announced that we had been evaluating the Muang Long project and wanted to meet some people in GTZ who could tell us about the project in Muang Singh, one of the young German staff members looked shocked and appalled. While someone was attending to us he moved quickly to stand behind the door in the next room from where he peeked out at us as if we were a dangerous force that could not be trusted. The person who was helping, another young German, informed us that the work UNODC was doing (presumably she assumed that UNODC was forcing villagers to stop growing poppy and little more) had little in common with that of GTZ which was promoting lowland rice agriculture. When I explained that the objectives of the two projects were in fact much the same, she seemed skeptical but at least willing to consider the point.

Apparently it still has not been fully considered since in November of 2008 I heard a prominent Australian scholar who had worked as a consultant for GTZ explain that the people of Muang Singh had seized upon the idea of developing paddy fields along with small irrigation schemes. When I explained that UNODC had done this in the Wa Project several years earlier (and other UNFDAC/UNDCP projects 10–20 years before that in Laos and Thailand) he was surprised.

Similarly, while this report was being prepared in Vientiane, two lavishly-prepared publications on poverty in Laos were published: The Geography of Poverty and Inequality in the Lao PDR (Epprecht, et al., 2008); and the Socio-economic Atlas of the Lao PDR. An analysis based on the 2005 Population and Housing Census (Messerli et al., 2008). Although the Epprecht report stated that poverty is linked with non-economic factors such as “vulnerability to various kinds of shock, the lack of
opportunities for participating in decision-making, and the lack of access to information,” (p. iii) and although such diverse factors as cooking by charcoal and having a zinc roof are investigated, opium – a potential contributing factor to poverty in the region – is not considered. The word ‘opium’ does not appear even once in either of the publications.

UNODC needs to reverse this negative (or non-) publicity by approaching media to show that its AD work has responded to real needs in growing and ex-growing communities and that its interventions are both well-planned and productive. By showing that its work arises out of and/or complements the will of the people to establish new sustainable livelihoods, a better appreciation of UNODC’s AD work will emerge. UNODC needs to expand the learning process in ways that resonate with the media and also with the scholarly community, many of whom serve as consultants for various organisations. If UNODC really intends to do alternative development work, as the passing of the recent resolutions mentioned certainly indicates, UNODC needs to overhaul its abysmal approach to publicising its AD accomplishments to a wider audience.

LEARNING ENVIRONMENT AND ANTI-DRUG CULTURE

UNODC as a whole needs to communicate the fact that its AD work has largely proceeded as a learning process. Project workers mostly have gone into activities with a willingness to learn from what the villagers know in order to make the most useful interventions. The fact that UNODC has met with the success it has is because it blends the knowledge of its staff and the related government officials together with what the villagers tell them. If UNODC wants to maximise its impact, it certainly should make its approach better known to the outside world.

This will serve to overcome the misplaced perception that UNODC is only a control agency that (unwittingly) abuses people. The organisation will be far better served by explaining that its AD projects serve the needs of vulnerable peoples in fragile environments where all the stakeholders appreciate the project objectives.

One starting point is that reducing opium poppy cultivation does not impinge on farmers’ indigenous cultures. Besides many villages having only started growing poppy commercially in the past few decades (and only very few even a century ago) poppy growing usually makes the cultivators poorer with a less diverse economy and less healthy. UNODC should point out that its AD projects positively address problem areas such as:

- **poverty**, arising from the addiction of many cultivators, usually adult males. By taking opium, they lose the energy to work hard which thus leaves heavy tasks to women and children which then impoverishes the entire household.

- **illness**, despite opium’s medical benefits. Addiction weakens people, productivity declines, and fewer services, such as clean water supplies, are available in growing villages thus leading to diseases such as diarrhoea.

- **hunger** is found in growing areas. When people depend on opium sales for money to buy food, they often disregard food production.

- **incompetence** is common where poppy has been grown and farmers abandon traditional skills to spend more time
cultivating the poppy. Because these areas are remote or sometimes in conflict zones, people have little new information, formal education, or skills training.

- **Apathy** includes farmers under the control of leaders controlling the opium trade. These top-down leaders are domineering, leaving little room for local initiatives, group formation, and decision-making.

Opium use causes lethargy, health issues and a host of other problems for the users and their communities. UNODC is able to help tackle these issues through its AD programmes.

### THE FIRST AGENCY

Since UNFDAC started work in Thailand in 1971, the organisation has been quick to identify issues that need to be addressed. From the Crop Replacement and Community Development Programme, UNFDAC expanded operations throughout the hills of the north before any other UN agency and most bilateral agencies became involved. In the Lao PDR, it was among the first to start work in various remote areas such as the Palaveck Area in Muang Hom District, north-east of the capital Vientiane. Although UNDP had implemented two small projects in that district, they were for infrastructure development, such as building a 55 kilometer dry season track from the district to Palaveck. However, it was UNFDAC that pioneered work in the area with an integrated development programme including health, agriculture, infrastructure, and other sectors. Similarly, after a UNDCP Regional project started work in Special Region 4 in Shan State, Myanmar, in 1992, this led to contacts by which the agency could start the first international project in the Wa Region, the single largest opium growing region in Myanmar at the time. For seven years, it was the only agency working the Wa Region until 2005 when, through its own negotiations with the Government, two European NGOs began working there as well.

Because this agency works in opium growing areas and because opium growing areas are often found in areas beyond the reach of central government control this has placed UNFDAC, UNDCP, and UNODC in conflict zones in all three countries. In this way, this organisation has been the first to recognise problems, the first to develop responses, and first able to manage implementation.

### GOVERNMENT OWNERSHIP OF ALTERNATIVE DEVELOPMENT

In all the three countries, the governments have accepted the idea of rural development in the hills with former (and sometimes at least temporarily current) poppy growers. At the start of the AD process in 1971, there were no such plans and no such approach. Although differing in terms of implementation and degree of local participation, all three countries have accepted the alternative development approach as promoted and “learned” by UNODC.
Besides the plans and strategies discussed in the chapters on each country, most recently, the Lao Prime Minister mentioned the new Masterplan on 18 November 2008 at the Development Triangle Summit of Cambodia, Lao PDR, and Vietnam. This is being formulated and elaborated now in a consultative process between the Lao government and UNODC.

As this process moves ahead, there are three issues regarding development in the hills of these countries where poppy was grown. These include land use and relocation, rubber (and sugar cane, for example in Phongsaly Province, Lao PDR), and the applicability of revolving funds (including access to credit, training, and to markets).

**Land Use** has been an issue since before the inception of the first UNFDAC project. Providing for an equitable sharing of land resources is problematic for all concerned. It depends on diverse factors such as the original environment and how it may have been degraded, agricultural practices, access to roads and other infrastructure, legal issues, and security concerns. Governments in all three countries (the Lao PDR more than the other two) have resettled highland groups to resolve these issues. Not everyone has been dealt with fairly.

**Rubber** is being intensively promoted as a cash crop in the northern regions of Laos and Myanmar and, to a lesser degree, in Thailand. To many, rubber seems to have many advantages. There is a steadily growing market in China (although at the end of 2008 the price fell). Rubber grows in most areas where poppy used to grow (but not over 1,000 metres in elevation). The skills needed to grow rubber are not complicated and can be learned easily by the hill people. Little special handling and no refrigeration is required. The rubber can be transported easily in most places where it is being promoted on the developing road network to the markets in China. The potential income is higher than for almost all other alternative crops.

However, there are risks. Although in China there have been very successful rubber schemes, such as among the Khmu in Mong La in Xishuangbanna who have grown it for years and are probably the richest of their ethnic group in the Mekong Region, the private enterprises promoting its cultivation elsewhere are not always fair in their dealings with local people or even provincial governments. While the soil under rubber cultivation is not particularly damaged, biodiversity will be reduced. Traditional skills of the growers could be reduced if they abandon their former crops. There is a delay of seven years before the rubber trees yield a marketable amount of latex. If the villagers end up monocropping rubber, they will be subject to fluctuations in prices. Many of the same risks apply also to sugar cane cultivation.

**Revolving Funds**

Revolving funds and small credit schemes have been introduced in AD projects in all three countries for at least two decades. These schemes have gained considerable popularity since Bangladeshi economist Muhammad Yunus and the Grameen Bank he created won the Nobel Peace Prize in 2006. There is no doubt that it has provided much assistance to individuals, cooperatives, and other small groups. There is also no doubt that making such schemes work in ways that allow for products to be marketed at a profit is not easy. Groups have to be trained in financial management and bookkeeping. There must be access to markets where people want to purchase
what is produced. Sometimes, as in the case of handicrafts, the items must be produced to meet special needs of the market and this may vary over time and from place to place. In some areas, particularly the interior areas of Phongsaly and the Wa Region which are quite remote from the outside world, such schemes may not be applicable.

Dealing with Crime and Addiction

By the very nature of commercial opium poppy cultivation, the growers inevitably will come into contact with criminal elements and will also be at risk of addiction. This applies also to the people who live along trafficking routes.

Alternative development projects in these areas have to take this into consideration. The projects and those implementing them, including the government counterparts, will need to be sure that the villagers are able to carry out the proposed interventions without being pressured by those who would want them to continue poppy cultivation.

Furthermore, a strong demand reduction component will have to be used in all cases because there is a good chance that the drug cartels will try to introduce heroin or amphetamines. The latter are a large problem because in the ex-growing areas which are located near ATS laboratories, the amphetamine pills can be produced and sold at a very low price. Whereas heroin usually ends up being injected, ATS can be taken much more easily and safely in pill form.

To keep this new addiction from expanding beyond the control of the authorities, AD projects and local governments should provide for a comprehensive drug prevention program that includes education on the drugs of risk. This education should be provided in user-friendly ways that speak to the local people in languages they understand with appropriate audio-visual materials.

Also, it will be productive to start work in villages or communities with strong leaders. While sometimes useful, it is not necessary that this strong leader be the official village headman. This person could be a traditional religious chief or other person with authority. Not only will they be less susceptible to outside pressures, but they will be in a better position to bring about positive change in their areas. Although they may not be in areas where conditions are the worst or the need the greatest, work there will have a better chance of making progress that will serve as an example to others where the situation is more problematic. For AD to work, personal security for the villagers must be guaranteed for the long-term.

OPERATIONAL GUIDELINES AND APPLICATION

Find Ways to Promote Rubber in an Equitable Way

The introduction of rubber, if it is to benefit all concerned, should be done cautiously and in consultation with others who have grown it already. There is much to be learned yet about its benefits and disadvantages. Once the cultivation starts and trees have grown tall, changing to another crop or land use system would be difficult.

The governments, at the appropriate level (i.e. national, provincial, state, district) should survey where rubber is now being cultivated and what the arrangements are
for the cultivation. This survey should collect information on what role the local people have (if any) in the cultivation and how the profits are shared. Also, information on the marketing should be collected so that the profitability of rubber cultivation can be accurately assessed.

![Rubber plantation in Thailand. © Axel Boldt](image)

At some point a regional conference, including representatives from Yunnan, should be organised to exchange experiences, assess risk, and come up with a common strategy. Rubber cultivation will continue. But there should be ways to adapt it for use by small growers so they can profit, the environment is not damaged, and their traditional way of life can go forward (as it has in Mong La).

Information should also be collected, perhaps in cooperation with UNODC or some other involved agency, on the growing arrangements in places like Mong La where the system has worked well for years and the local people find it acceptable. Information on as many such arrangements should be collected so that there will be a range of possibilities for introduction into the AD work. No one answer will be appropriate for all so having a variety of options will make it easier for the governments and local people to make the right choices.

**Promote Marketing with the Private Sector**

In most areas, the AD interventions, especially in Myanmar, have so far managed to both prevent a humanitarian crisis. Concerted action, such as in the Wa Region, by the Myanmar and Chinese governments, UNODC, WFP and various NGOs has helped the local people increase their food production so that they are approaching self-sufficiency (as they are in an increasing number of places around the region).

The next priority in such places is finding ways to increase their cash income. Forest produce is one possibility. There is a steady market in China and neighboring countries for these products that include highly prized orchids, oil-yielding species, dyestuffs, and fragrant woods. There is also a market for processed forest produce, such as paper mulberry, that is processed to some degree and in so doing is made more valuable. However, this must be done in ways that do not place too much pressure on the local environment or push valuable forest produce into near-extinction (as was already happening, for example with rattan in Doi Inthanon, Thailand, in the 1920s).

Involving the private sector will facilitate the growth of AD product marketing. From the time of the Thai/UN Highland Agricultural and Marketing Project (HAMP) (1980—1984) and the Thai-German Programme at about the same time, private enterprises have been encouraged by AD implementers to cooperate in promoting alternative development products. The private sector,
if motivated, will advise on project design, quality control, and technological innovations. The villagers will learn negotiating skills and other matters such as inventory and accounting. In such an environment, people in the private sector can shield the villagers from being tricked at the hands of unscrupulous merchants until the villagers are better able to protect themselves.

In Thailand, the Royal Project and the Mae Fah Luang Foundation played this role along with the private sector (and in some cases acted exactly like the private sector). In the Lao PDR and Myanmar, where there are no such organisations, the government and development agencies will have to help the private sector provide support in this way.

NGOs, both local and international, can also play a role. Since they are smaller they can often act more flexibly. They also have contacts with resources beyond the reach of the government or UN agencies. The Myanmar Anti-Narcotics Association (MANA) has wide networks with several retired government officials who have technical capacities and long experiences that have proven very useful in drug treatment.

The expanding road network will facilitate the marketing of produce to the ever-growing population. AD projects can support this by building supportive infrastructure, as the United Nations Nonghet Alternative Development Project did in Nonghet, Lao PDR, where it built marketplace structures. They quickly became hubs for buying and selling, especially of the very popular asparagus that was introduced into the area a decade earlier. However, the effective marketing of it, which led to increased sales and income for the growers, came only with the completion of the Asian Development Bank (ADB)-sponsored upgrading of Highway 7 connecting Xieng Khouang Province, in the Lao PDR with Nghe Anh in Vietnam.

Work for a Balanced Gender Orientation

With all the attention given to gender balance it sometimes seems trite or unnecessary to mention that maintaining a proper balance is important. However, it is particularly important in AD, from the beginning, with data collection – to the end, in promoting local businesses and the marketing of produce. AD tends to be heavily dominated by men. To get a proper understanding, and especially when staff (and also the ranks of the addicts) are always male-dominated, an extra effort must be made to capture the ideas of women.

Acknowledging and incorporating women’s aspirations into project design is essential for the success of alternative development programmes.

In data collection, women’s groups’ aspirations for the future of the village usually differ from those of men’s groups. In Luang Namtha Province, Lao PDR, in 2005, for example, women told UNODC interviewers that they wanted better social services, such as health care and education for their children, while the men said they preferred better infrastructure, such as roads.
The need for balance in training is clear. In 1987, I was involved in assessing activities of the Thai-Norwegian Project in Chiang Mai. At a Karen village we found that many women who were spraying pesticides were getting sick. We then discovered that the male training staff were training the male villagers. However, women were doing the spraying. Somewhere, there was an imperfect transfer of knowledge between men and women. When the project manager argued that there were no trained women, we replied that he should create a framework by which women trainers were given the skills to communicate directly to the women and reduce their getting sick.

In many ethnic groups, women contribute more to the household economy than men. To make sure they operate effectively, when establishing self-help groups and revolving-funds, women should be involved at the management level. This will enable them to promote better marketing schemes and to make use of connections they already have with buyers outside the village.

Create Understanding

The main purpose of AD is to work with ex-growers to find acceptable, self-sufficient, and sustainable livelihoods after they have stopped growing opium poppy. This means that from the start, UNODC or other implementing agencies must work towards an understanding with all the stakeholders, including different levels of government officials, the villagers and their leaders (official and unofficial), and others such as members of the private sector, NGOs, faith-based organisations, and mass organisations.

Be Patient

This takes time and may seem like a nuisance. Many type-A personalities are in agencies and the government. AD projects take time and over-eager staff will have to go slow (most of the time). The Thai-German Programme in Thailand ran for 18 years, which as the former Senior Advisor wrote, allowed for “learning and consolidation of experiences” and a holistic approach focusing on “land use planning, integrated farming system development and watershed protection” (Dirksen n.d.). The Thai Royal Project started 39 years and is still improving; learn as you go along.

Quick Action is Useful Sometimes

When emergency situations arise quick action must be taken. When the Wa Authority resettled people in a malarial area and villagers were dying, the Wa Project brought in a doctor to create more suitable conditions, provide pertinent information (many villagers did not know mosquitoes caused malaria) and reduced mortality in a few months.

When the USAID Mae Chaem project was starting in Thailand in 1980, members of the baseline survey team learned that the villagers were tired of answering questionnaires. When His Majesty King Bhumibol heard of this he advised the project to devise some quick to implement activities, such as clean drinking water schemes, and to carry them out so the villagers would see what the project could do. In such a way, villagers will see results quickly. They will also get a better idea of what the project can do which will lead to better cooperation.
**Remember the Community Focus**

Villagers focus on their community. Projects should work at the community level, from drug treatment to agriculture to credit schemes and marketing. Project officials should learn about the life of the people. Many local people only trust their own group, not even those speaking other dialects on the next hill. Learn about them. In the Lao PDR, remember that the terms “Lao Loum,” “Lao Theung,” and “Lao Soung” are being superseded by reference to 49 different ethnic groups. Much, such as preventing drug users from relapsing, can be done better and for less money at the village level than in any other way. AD staff should learn about the village and take an interest in local people.

**RECOMMENDATION ON MAINSTREAMING AND INTEGRATION OF LESSONS LEARNED INTO AD WORK**

Almost always, AD work starts where there is a wide gap between the government officials and the poppy-growers and ex-growers. The first step is to learn from the people in order to get closer to them so they can function within the mainstream of the country.

**Exchange Information**

Every effort should be made to publicise what the project is doing and to explain why AD is productive and helpful to the people. Use a range of media in different languages. A wide audience should learn that helping farmers become more productive and move out of poverty is good for themselves and for the country as a whole. Join networks, make presentations at meetings, and let others in neighboring countries understand what AD is doing. This will go far in overcoming the negative publicity that occurs when UNODC and its partner agencies do not publicise the good things they are doing in the hills.

Information of all kinds should be shared with others in the government, including different agencies and ministries. This will further understanding and make the process of mainstreaming go forward more effectively.

The more that all agencies and high-ranking officials learn about the AD process, the easier it will be to mainstream activities. When there are successes on the ground, higher ranking officials will want to have a share of the productive work and will seek out ways to align their agency’s priorities with what is going on in the AD projects.

**Use Inter-agency Bodies to Coordinate**

In all three countries the drug control agency is an inter-agency body. The Myanmar Ministry for Progress of Border Areas, National Races and Development Areas (known as NaTaLa) also has links with many agencies and ministries due to the nature of its work. Working through such bodies is an important way to mainstream AD work. Each country will have its own way to do this best.

**Draw up an Indicative Regional AD Plan**

Using the Global Partnership on Alternative Development Project as a coordinating mechanism, a regional plan for AD work should be drawn up that involves a range of stakeholders including UNODC, other UN and bilateral agencies, the governments of the region, NGOs, as
well as mass organisations and peoples’ groups. This will contribute directly to the establishment of a unified vision on how the common goal of sustained opium poppy cultivation elimination can become a reality.

The Global Partnership can decide how to align this plan with similar efforts by the UNODC Regional Centre, the Association of South East Asian Nations (ASEAN), the ASEAN and China Cooperative Operations in Response to Dangerous Drugs (ACCORD) mechanism, as well as the bilateral and trilateral arrangements in place throughout the region. Even if it is not possible to fully implement such a plan, the effort, thinking, and cooperative endeavors carried out to draw it up will yield positive benefits in terms of increased mutual understanding and more cooperation. Bringing clearly visible unity to this task will, through its shared wisdom, create positive publicity for AD in the region. This will then bring about its own heightened momentum for more collaborative work with growers and ex-growers in the Mekong Region.
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PART 2. CHINA
OVERVIEW

Bordering the world-famous drug source, the Golden Triangle, Yunnan Province in China has long been plagued by widespread illegal drugs and HIV/AIDS which have seriously dampened economic development, social stability and national unity in its border area. Illegal drugs are mankind’s public enemy number one. The Chinese Government and people are overwhelmingly aware of the extreme harm illegal drugs can cause to the state, nation, society and family. Tackling the drug problem, a noble undertaking, is a global issue which requires the involvement and participation of everyone. Being a responsible country, China has always been resolute in eliminating illegal drugs.

The poppy alternative development programme of Yunnan is an integral part of China’s drug control campaign and global drug control undertaking as a whole. Since the early 1990s, under the guidance and assistance of the Central Chinese Government of China, the entire Yunnan Province has made joint efforts to overcome the obstacles and difficulties, actively helping northern Laos and Myanmar carry out drug control campaigns and poppy alternative undertakings, exploring the new drug elimination mode of alternative crop cultivation and industries and helping facilitate the elimination of poppy cultivation in the Golden Triangle. All these practices have been widely recognised by relevant governments, peoples and international organisations. In the Seventh Ministerial Meeting of the Signatory Countries of the 1993 Memorandum of Understanding on Drug Control which was held in Beijing on May, 23, 2007, the international community highly praised Yunnan’s alternative development operation. The bulletin released at the meeting noted that due to China’s positive role and unremitting efforts in international cooperation to combat illegal drugs in the Golden Triangle, the poppy cultivation area of the Golden Triangle had dropped from 66 percent of the global poppy area in 1998 to 12 percent in 2006. It stated, furthermore, that the alternative development model adopted by China has became a major driving force behind both poppy cultivation elimination and the regular development of the local economy, is a keen sword in the elimination of illegal drug sources and will
play a positive role in influencing and consolidating the impacts of drug control.

**MAJOR EXPERIENCES AND ACHIEVEMENTS**

Yunnan has experienced two important phases in the development of poppy alternative development operations.

**Phase 1**

The first phase features the provision of support to poppy alternative crop cultivation with the domestic agriculture and technology departments as the main participants. China has its own unique advantages in its ability to support the poppy alternative development operation in northern Myanmar and Laos. Yunnan Province resembles the border areas of its neighboring countries in climate, soil and vegetation. The areas located on both sides of the border basically belong to the same ecological zone. Yunnan has developed many commercial agricultural crops featuring high value-added characteristics which are accustomed to the environments of the traditional poppy cultivation area in the neighboring countries. Yunnan has also obtained useful experience in the following areas: agricultural science and agricultural and forestry technology, cultivation of high-yield plants, infrastructure construction, tourism development and border trade. There are about 16 ethnic minority groups which reside across the border and share the same religious beliefs, cultures, languages and traditions and have a long history of intermarriage with the border area of neighboring countries. Ethnic minority groups living on the other side of the border are readily receptive to the technical support of China. Yunnan boasts convenient traffic conditions with 11 state ports, eight ports at provincial level and nearly 47 border channels. Over 16 years, Yunnan’s local government has accumu-

lated a rich experience of poppy alternative development operations.

Yunnan’s alternative development is based on a model known as the Menghai Mode. The drug control department of Yunnan, as the overarching body responsible for operations, mobilizes the agriculture and technology departments in border prefectures, cities and counties to implement its programmes providing technical support and aid to neighbouring countries. Through this mode, it has helped the 4th Special Zone of Myanmar, the 2nd Special Zone (southern) Shan State of Myanmar, Luang Namtha and Oudomxay in northern Lao PDR by providing plants and seeds, and by sending technical staff to provide field guidance and establish model programmes.

![Oudomxay Province in Lao PDR is one of the areas to have received support from China, including the provision of seeds and plants.](image)

As part of the programme, technical advisors from Yunnan also have provided training and guidance on grain planting, planting techniques, and production skills, fostered grain planting rates and increased yield of rice and corn. As infrastructure construction and public welfare undertakings are developed, many difficulties in the life and work of local people are solved as food security improves.
Phase 2

The second phase features international cooperation oriented towards a market economy. After a complete ban on poppy cultivation went into force in northern Laos and Myanmar, the biggest problems facing the large numbers of locals in traditional poppy growing areas were those related to the economy, more specifically food security and livelihoods. The direct free aid adopted in the first phase came with its disadvantages: only a small range of people benefited from the practice; and they had insufficient influence or capabilities to solve the practical difficulties in poppy growing area on a large scale. In an effort to overcome these problems and continue pushing ahead with the intergovernmental model cooperation programmes, the Chinese Government started to explore a market-based mode. It has actively mobilized Chinese enterprises to engage in poppy alternative economic cooperation programmes to facilitate the participation of enterprises in poppy alternative crop cultivation and alternative industries in northern Laos and Myanmar under the rule of market economy through relevant programmes. This mode of comprehensive development organically combines the interest of states, enterprises and that of farmers beyond borders through drug control operations. This mode provides an opportunity for establishing model programmes in remote areas with outdated road infrastructure, poor vegetation conditions and harsh environment through an intergovernmental model of cooperation with a view to cope with the pocketbook problem of local farmers. Another opportunity is provided to the enterprises engaged in alternative development to carry out large-scale alternative programmes with assistance from the programme itself. The programmes brought benefits to the local people as the enterprises improved themselves through alternative development and injected more property and physical assets into the alternative development undertaking with more farmers benefiting from the programmes, thus achieving a benign cycle between drug control practice and economic development. Local farmers have shaken off their reliance on poppy cultivation thus attaining the goal of the drug control campaign on both sides of the border and developing the poppy alternative economy.

Since 2006, following the establishment of the 122 Working Group of China, the State Council has given administrative reply on carrying out poppy alternative crop cultivation and developing alternative industries in northern Laos and Myanmar to encourage domestic enterprises to participate in alternative programmes in those regions. The State provides a total of 250 million Yuan to support the poppy alternative development operation of domestic enterprises in the drug-source areas. Relevant supportive policies unveiled by the State on alternative development have expanded the development potential of the programmes. The goal of the programmes has now been more broadly defined: to support the complete elimination of poppy cultivation in northern Laos and Myanmar through facilitating the transfer from alternative crop cultivation to alternative industries and alternative licit economy. The alternative development operation has embarked on a brand new level of development as impressive achievements have been made.

**MAJOR ACHIEVEMENTS**

Through a decade of arduous efforts, the Chinese Government has achieved tremendous results in poppy alternative development operations.
Poppy cultivation area in northern Laos and Myanmar has dropped significantly.

In recent years, with joint efforts of concerned governments and departments, the Government of Laos, the 4th Special Zone, the 2nd Special Zone and the 1st Special Zone in eastern Shan State, Myanmar, have all solemnly undertaken and have effectively achieved a ban on poppy cultivation in this major former poppy cultivation area. According to data released by the United Nations Office on Drugs and Crime, the poppy cultivation area in the Golden Triangle has dropped from a peak of 2.48 million Mu to 496,000 Mu in 2005—2006 and to 279,000 Mu in 2006—2007, the bottom point in 30 years. Illegal drugs and HIV/AIDS have been efficiently constrained in the border area of Yunnan. This remarkable achievement in drug control and poppy cultivation elimination has played an important role in reducing the harms of drugs to the entire world.

Intergovernmental cooperation and free aid to poppy cultivation-eradication area have been elevated.

The direct investment made by the Chinese Government continues to increase. Since 1993 with assistance from the United Nations International Drug Control Program and China, the Lao PDR has implemented poppy alternative cultivation programmes through natural rubber planting. Up till now in Luang Namtha alone, the rubber cultivation area has exceeded 1,500 hectares. In 2000, to provide a distribution channel for the rubber and rubber processing products, the Chinese Government and the Government of Laos reached an agreement on rubber processing plant construction in Luang Namtha with the investment of Chinese enterprises.

In 2002, the State Drug Control Committee of China has made a direct investment of RMB 300,000 Yuan to provide plants seeds and seedlings to Kokang, Shan State, Myanmar and trained 340 agricultural technicians. In January 2004, the State Drug Control Committee invested RMB 500,000 Yuan and implemented an alternative development programme involving a longan drying and processing plant in Wanhong in 2nd Special Zone, southern Shan State, Myanmar. This programme is at present the largest drying plant in the Golden Triangle.

From May 2004 to November of the same year, the State Drug Control Committee of China allocated a special fund of RMB 500,000 Yuan as free aid to grow 300 Mu hybrid paddy, upland rice and corn in Namo District, Oudomxay Province, with Laos achieving an average yield of 340kg/Mu, a total yield of 1160.25 metric tons and a net output value of RMB 760,000 Yuan. The successful implementation of the programme has received wide praise from the Government of Laos and various international organization engaged in aid programmes.

In July 2005, Jingying Sugar Co., Ltd. from Lincang, Yunnan, concluded the poppy alternative cooperation programme with the Government of the 1st Special Zone of Shan State, Myanmar on growing 150,000 Mu sweet potato and cassava in Kokang county, Myanmar.

In 2006, the Chinese Government provided totaling RMB 5 million Yuan to establish model alternative planting programmes in the 1st Special Zone of Shan State, Myanmar. The programme involved free high-quality seeds of paddy, corn, sugarcane and tea, giving alternative planting model training, building irrigation canal and providing anti-malaria drugs.
Since 2006, in order to help Myanmar consolidate the fruits of their ban on poppy cultivation and to alleviate the lack of grain among local farmers, the Chinese Government has provided ten thousand metric tons of rice to the northern part of Myanmar for two years in a row. On September 19, 2006, the delivery ceremony for the rice provided for free by the Chinese Government and part of the supply in poppy alternative crop cultivation programmes in Kokang northern Myanmar was held in Laokai, capital of the 1st Special Zone, Shan State in northern Myanmar.

China made another US$ 100,000 investment in a drug rehabilitation centre in Laos. This center is located in Oudomxay Province in northern Laos and was built up with a US$ 500,000 investment by China in 2005 to help drug rehabilitation in Laos. The center has been completed and put into use.

**Poppy alternative development mode featuring the participation of relevant enterprises (programmes) has been gradually improved.**

To meet a wide-spread and pressing need for livelihoods following the ban on poppy cultivation, enterprises, which primarily came from Yunnan Province, actively responded to the call of the Chinese Government to engage in aid and support programmes initiated by drug control committees of the State and Yunnan and gradually became involved in the alternative development undertaking. Despite substantial investment risks and a long capital recovery term, these enterprises went without reservation to the harsh area beyond the border, overcame difficulties and constantly increased their investment in alternative development programmes. The programme with their involvement saw an increase in the scale of alternative crop cultivation and saw an on-going acceleration in alternative development and an improvement in the alternative development mode. According to statistics, up till 2007 122 enterprises had been engaged in alternative development programmes with an accumulative investment of RMB 1.138 billion Yuan in 184 development programmes. The accumulative area for poppy alternative planting has reached 1.612 million Mu.

In three years from 2005 to 2007 the alternative planting area in northern Myanmar and Laos experienced an increase of 1.0126 million Mu because of the poppy alternative development programmes. This included 491,000 Mu in northern Myanmar and 521,600 Mu in northern Laos, including 750,000 Mu rubber, 58,800 Mu sugarcane, 56,100 Mu cassava, grain 46,700 Mu and 101,000 Mu for other commercial crops. With the participation of Chinese enterprises, a relatively complete alternative industry chain has come into being, integrating planting, processing and marketing and successfully initiating China’s poppy alternative development undertaking in the Golden Triangle. A decade of poppy alternative development has proved that China’s pioneering work in global drug control, engaging enterprises under the rule of market economy, is an efficient
way to eradicate drugs and provides long-term sustainable alternative development aimed at promoting poppy alternative planting.

Some governments and people of neighboring regions interviewed have said they are now enjoying the benefits brought by alternative development programmes. For example, Mengla Jinggu Border Trade Co., Ltd. has carried out alternative development programmes in Mengxin, Luang Namtha, Lao PDR. This company has concluded a poppy alternative agriculture cooperation agreement with the provincial government of Luang Namtha on carrying out comprehensive alternative agricultural development in 74 villages covering 6,200 village people. The programme mainly involves cultivation of paddy, corn, tea and tomato, assisting local government to release seeds to the farmers relocated from mountainous area, and providing training in production techniques. Through these joint efforts, food insecurity has been resolved and an improved living standard realised. After a decade of hard work, the company has expanded the programme to 103 villages covering nearly ten thousand people, with 43 local village children receiving financial support to continue their education in China. The alternative development programme’s role as a model and its ripple effect throughout the region have received favorable comments from the provincial Government of Luang Namtha on many occasions. Officials from the Government of Luang Namtha have noted that the alternative development programmes implemented by China have provided alternative livelihood to Hmong people and Aini people in the mountainous area, who once lived on opium poppy cultivation. Some run-away villagers have returned after comparing their ‘traditional’ life with that of the relocated people.

In 1996, when Mengpeng Sugar Plant Company began investing in Bennu County, two thirds of the people from 34 villages grew poppy in the mountainous region. However, it is very difficult to find opium now. At present, nearly 20,000 Mu of sugarcane is grown. In 2004 alone, 3.6 million Yuan was paid to the local sugarcane farmers which meant the average annual income of a sugarcane farmer reached 3000 Yuan compared to 1000 Yuan when they grew poppy. Now some local sugarcane farmers have built new houses and purchased motorcycles. In Banyue, Phongsaly Province, Lao PDR, some farming families relocated from mountainous areas to live along roads. One of them is Jin Laoer, 58 years old from a big family of seven people, spanning three generations. He said he used to live in Bennu, Hezhaizi, and made a living from poppy growing. Following the government ban on poppy cultivation, the farmers in Ninpin switched to growing rubber trees. To date, more than 10 families have moved to Jin Laoer’s village. Afterwards we met a
farmer named Hei Shan in the village 65 km away. According to him, in the past most farmers grew poppy and could not make a living. Since he moved here to grow sugarcane and upland rice, he no longer experiences food security issues, has an income of nearly RMB 3000 Yuan and enjoys a greatly improved life.

Dehong Yingjiang Hongxing Co., Ltd. has carried out poppy alternative cultivation programmes, concentrating on rubber cultivation, in the 2nd Special Zone, Kachin, Myanmar. With the constantly expanding programme and assistance from the Government, some farmers from cold mountainous regions have moved their entire families to settle in the programme area, learning rubber production and maintenance techniques and growing grain and other short-term crops inside the rubber cultivation site thus solving food security issues and transforming from poppy farmer to rubber farmer. With the constant congregation of relocated people, more than 10 market fairs have come into being inside the programme area along with four primary schools.

Menglian Farm of Yunnan is the pioneer in carrying out trans-border alternative planting. At the end of 1992 the farm reached agreement on establishing a model pilot area of land development and alternative planting with the 2nd Special Zone, Shan State, in an effort to help Myanmar substitute rubber plantations for poppy cultivation. As the programme advanced, a rubber field of 108,000 Mu came into being in the 2nd Special Zone, with 5000 farming families of 20,000 farmers participating in alternative cultivation, thus leading to a greatly shrinking poppy growing area in this region.

In August 2005 Yunnan Power Group Co., Ltd. actively participated in the poppy alternative development undertaking. The Government and people of the 4th Special Zone in eastern Shan State, Myanmar, spoke highly and had great expectations of the poppy alternative cultivation and development programme implemented by Chinese enterprises. When speaking to a journalist, an official of the 4th Special Zone said, “The alternative planting provides the local farmer with income and as a result nobody would grow poppy any more”. He listed the following example to the journalist: a field of one Mu can yield six metric tons of sugarcane; the acquisition price of RMB 180 Yuan for one metric ton of sugarcane; thus if a farm family grows 10 Mu sugarcane, it will bring 10,000 Yuan to the family alone. He also said the extravagant profits of poppy came from processing, refining and circulation. Poppy farmers do not receive much income from their crop and are subject to constraints. In comparison, non-opium poppy farmers have more enthusiasm for growing sugarcane.

**Income of people in northern Laos and Myanmar has increased remarkably.**

Alternative development programmes have provided new sources of income to the local people who have given up growing poppy. Thanks to the poppy alternative cultivation programmes, the income of the local farmers has increased remarkably as gains in the eradication of poppy farming have been consolidated. Taking the year 2007, for example, 653,000 Mu of programme land was converted to the alternative cultivation of grain, rubber, cassava, sugarcane, tea and banana providing employment to 9.16 million. If 15 Yuan is paid to one person for one day’s work, then salary alone paid to people in northern Myanmar and Laos has reached 137.4 million Yuan. According to a preliminary sur-
There are over 130,000 farmers that have benefited from alternative development programmes in northern Myanmar and Laos with an average annual income increased to the current 500 Yuan from 200 Yuan in the past. In three years from 2005 to 2007 agricultural products originated in the alternative programmes in this region and imported by China reached 809,800 metric tons with a total import value of US$ 104 million greatly promoting the development of local enterprise and the economy in border areas.

Infrastructure construction and public welfare undertakings are progressing.

We can see in northern Myanmar and Laos that roads extend to where the alternative programme is located, with alternative development radiating outwards. According to incomplete statistics, the poppy alternative development programmes can create a total agricultural production value of RMB 1 billion Yuan every year. Yunnan’s enterprises engaged in alternative development have made an accumulative investment of 1.138 billion Yuan in northern Myanmar and Laos. Calculated at the investment multiplier effect rate of 1:2.3, the accumulative investment effect can reach RMB 2.62 billion Yuan. Yunnan’s enterprises engaged in the alternative development programmes also participated in the construction of local infrastructure such as roads, bridges, houses, drinking water programmes, schools and sanitary offices. Those enterprises have built simple roads at a length of over 3000 km, 18 bridges, 500 kg water canals, 30 pools, 13 sanitary offices, 22 schools, 6 substations and 12 processing plants, thus greatly propelling the social and economic development in the former poppy growing areas.

The Governments of Myanmar and Laos fully affirm and speak highly of the Chinese effort to advance poppy alternative development programmes, supporting Myanmar and Laos in their drug control campaign, helping local farmers to eradicate poppy cultivation and develop the legal economy. Poppy alternative development has been praised for bringing tangible, positive changes to local farmers. Where there is an alternative development programme, there is increased income and reduced dependence on poppy cultivation. As long as there are many alternative development programmes across a wide area, poppy cultivation will effectively be wiped out and achievements in opium poppy elimination will be sustained.

The Seventh Ministerial Meeting of the Signatory Countries of the 1993 Memorandum of Understanding on Drug Control was held on May 22, 2007 in Beijing where representatives and experts of China, Myanmar, Thailand, Lao PDR, Cambodia, Vietnam and the United Nations Office on Drugs and Crime were gathered together. At the meeting, an officer from Central Committee for Drug Abuse Control (CCDAC) of Myanmar told a journalist: “In the early 1990s, when the Government of Myanmar started to carry out its drug control campaign, the Chinese Government saw the difficulties in our work and offered to help us out. Last year the Chinese Government gave us ten thousand metric tons of rice and medical equipment. People in the northern mountainous regions of Myanmar discovered that with their income obtained from growing poppy they couldn’t compete with the Chinese who have licit professions. This sharp contrast encouraged them to actively improve their life and working hard toward the model of ‘the wonderful life’.” The official also spoke highly of China’s alternative development programmes claiming that alternative development programmes had helped...
the farmers in northern Myanmar, having taught them production technology, changed their way of life and improved their socio-economic status and turned them away from poppy cultivation. He also stated his hope that the Chinese Government would strengthen its support of alternative development and help more farmers shake off poverty. The officials of Kachin 1st and 2nd Special Region, Myanmar, noted that China’s alternative development programmes had had positive impacts in those areas and hoped that more strong Chinese enterprises would help those regions implement long-term as well as short-term programmes with sound market prospect and effects. They hoped these programmes would take deep root in northern Myanmar to foster local economic development.

An officer from LCDC once expressed that alternative development carried out by the Chinese Government had brought positive changes to Lao people living in the northern border region of the country; northern Laos had actively grown grain and developed a rubber industry bringing benefits to the local people under the support of Chinese enterprises. The Government of Laos is highly appreciative of the role that China’s alternative development practice has played in northern Laos and hopes that the Chinese Government and enterprises will increase the investment, strengthen and advance the cooperation between the two countries to better promote poppy alternative development.

WORK PLAN FOR THE NEXT PHASES

The spread of illegal drugs is a global issue that jeopardizes the survival and development of mankind. The Chinese Government has advanced the poppy alternative development operation with a highly responsible attitude. As China has made unremitting efforts remarkable achievements have been made and periodic success has been attained. We will continue to facilitate the poppy alternative development undertaking, constantly explore new ideology and measures of alternative development and make even bigger contributions to realise the complete eradication of poppy cultivation in the Golden Triangle and the consolidation of the achievements of drug control campaigns and alternative development.

Due to the complexity of the chronic drug problems in northern Myanmar and Laos and the sensitivity and uncertainty in international political and economic settings, the alternative cultivation operation is faced with a series of difficulties and problems in this extremely complex environment. However, the Golden Triangle needs more than the help of China. At present there are still some poppy cultivation areas in the Golden Triangle, while poppy cultivation has returned in some other regions. It needs the joint efforts of relevant governments, peoples, enterprises engaged in programmes and the international community to achieve the sustainable development of poppy alternative cultivation, to achieve the goal of eradicating drug supply and to bring out a more secure, healthier and more harmonious world.

**Future Actions**

1) Giving full play to the United Nations Office on Drugs and Crime, coordinating international community and relevant countries in supporting the alternative development undertaking, promoting mutual understanding and trust and jointly making effort for alternative development;
2) Promoting the exchange and cooperation with governments of Myanmar and
Laos, constantly summarising and sharing the positive experience of alternative development operation, providing favorable policies and facilitated measures, promoting close cooperation and jointly creating sound environment for alternative development;

3) Strengthening the scientific planning and training concerning alternative development, making use of various channels and resources, providing intellectual support and help to relevant countries, preparing more scientific alternative development plans, promoting the training on practitioners and establishing more efficient comprehensive assessment system on alternative development.

In the period from 2001 to the present, a remarkable reduction in the poppy cultivation area and opium output in the region just beyond Yunnan’s border has occurred. Despite this fact, according to the data released by the United Nations International Drug Control Program, the annual income of opium production in Myanmar increased by 43 percent and 50 percent for poppy cultivation due to the price increases in the international illegal drug market. There still exists the possibility that poppy cultivation may return which leads to a heavy responsibility and burden on poppy alternative development which requires the strong support of the international community, the active collaboration of the Governments of Myanmar and Laos, understanding and support of various circles of society and the unremitting efforts of concerned governments and enterprises engaged in alternative development.

We believe with the support of the international community and the joint efforts of China, Myanmar, Laos and relevant countries, alternative development is sure to move forward steadily and achieve even more remarkable results as the enthusiasm and initiative of enterprises are given full play.
PART 3. LAO PDR
Lao PDR’s Experience of Sustainable Alternative Development and Opium Reduction

Presented by Mr. Kou Chansina, Acting Vice Chairman of the Lao National Commission for Drug Control and Supervision and National Programme Director of the Programme Facilitation Unit (PFU)

OVERVIEW OF ILLICIT DRUG SITUATION IN LAO PDR

Illicit drug production, trafficking and abuse continue to pose a serious threat to Lao society and traditions. The illicit drug situation contributes to poverty and suffering and endangers the social and economic development of the country. It is a source of crime, corruption and violence that threatens security and stability.

There are four main illicit drugs problems in the Lao PDR: opium poppy, amphetamine-type stimulant (ATS), cannabis and heroin.

Opium Poppy Cultivation and Consumption

Both poppy cultivation and consumption have existed in Laos for many decades, but it was only in the 1940s that opium poppy was commercially cultivated. By 1971, Laos was included in the notorious Golden Triangle as one of the largest producers of illicit opium in the world with some 27,000 ha under cultivation in 1998. Opium poppy cultivating and consuming communities are amongst the poorest of the poor, living in some of the most remote and underdeveloped areas of northern Laos.

Laos also had one of the highest opiate addiction rates in the world with some 63,000 addicts in 1998. Opium was produced because of poverty and the lack of access to markets, medicines and other social services. Widespread availability and the lack of access to modern medicine had resulted in widespread addiction and increased poverty. However, opium poppy cultivation has been reduced to 1,500 ha and the number of opium addicts has been reduced to 12,000 ha as of 2008.

Remote regions in northern Laos, with limited access to markets and services, are some of the hardest hit by poverty and have often been the location of opium poppy cultivation.
Amphetamine-Type Stimulant (ATS)

ATS has emerged as a very serious problem in Laos. Before 1996, ATS was unheard of but in 2006 there were 40,000 unofficially reported ATS users in Laos. ATS trafficking and abuse was previously seen only in urban areas but now it is found throughout the provinces, in both urban and rural areas including former opium growing areas in the northern provinces. A survey of educational institutions revealed that ATS was commonly abused by students. Fifteen to nineteen years olds are the most susceptible age group. Sample urine tests conducted on 14,250 students from 99 schools in 17 provinces from 2003-2005 have shown that ATS abuse has increased significantly. ATS is a newly emerging phenomenon, which appears to be more dangerous as it hits a wider population of young generation and has more negative social implications.

Cannabis production

Previously cannabis cultivation and use was limited, being grown in certain regions by Laos as a herb to add flavour to food when cooking. Now cannabis production is illegal in Laos. Commercial cannabis production is grown mainly in the lowlands in remote areas of central Laos provinces and in particular in the areas near by the Mekong River for export to neighboring countries. Most often entrepreneurs from across the border contract Lao farmers to cultivate cannabis. No estimates are available on the extent of illicit cannabis cultivation.

Heroin

As the Lao PDR is surrounded by countries where HIV/AIDS and injecting drug use rates are high, the risk of a major HIV/AIDS epidemic is acute. Trafficking increases drug use. With heroin from elsewhere in Asia being smuggled through the Lao PDR, injecting heroin use has been observed in border areas and cities since 2004. A LCDC/UNODC survey conducted recently found that in three northern border provinces, 2.8 percent of highland villages had used heroin with four percent of those injecting. At present some former opium users, as well as new drug users, have begun poly drug use.

Illicit drug trafficking

In 2007 Lao law enforcement officers recorded 83 cases of drug trafficking, arrested 154 offenders including three foreigners with 14.17 kg of opium, 2,202.8 kg of herbal cannabis, 1,272,815 tablets of ATS, 4.8 kg of methamphetamine crystal and 23.77 kg of heroin.

The number of arrests of Lao nationals and foreigners and the seizure of some drugs indicate that the drug traffickers still consider Laos as a main transit route of drug trafficking leading to neighboring countries.

Drug abuse

According to the LCDC/UNODC opium survey in 1998, 50 percent of annual opium production was consumed by 63,000 opium addicts in the country. Before 1996, ATS was unheard of but in 2006 there were 40,000 unofficially reported ATS users in Laos. A survey conducted recently by LCDC/UNODC found that in three northern border provinces, 2.8 percent of highland villages had used heroin with four percent of those injecting. At present some former opium users, as well as new drug users, have begun poly drug use.
Drug related crime

Unlike poppy growing, which is rooted in poverty, the emerging drug problems in the Lao PDR arise from criminal activity. Since the late nineties there have been increases in ATS, heroin, precursors, and other illegal substances being trafficked by transnational organised crime groups through the Lao PDR. Attracted by the country’s economic growth and improving road network, they have begun to ship illicit goods through the country and also to convince Lao youth to try drugs. Related criminal activity is also on the rise – a United Nations report indicates that human trafficking from the Lao PDR is ‘high’. There are more negative impacts. Expanding drug use in the country has contributed to an estimated 85 percent growth in petty and sometimes violent crime since early 2007.

OVERVIEW OF OVERALL NATIONAL POLICIES AND MASTER PLAN ON DRUG CONTROL AND PREVENTION


For the effective implementation of drug control and to ensure the success of opium elimination, the Government of the Lao PDR formed and established different drug control organisations at different government levels as follows:

National Level
- National level organisation of drug control in the Lao PDR is run through the Lao National Commission for Drug Control (LCDC). It was set up in 1990 to be responsible for coordinating and monitoring all drug related issues. It comprises representatives from Ministries of Foreign Affairs, Public Security, Justice, Health, Education and Agriculture as well as from the Department of Customs (Ministry of Finance) and Council of Ministers.

National Strategy Implementation
- In 2000, the Programme Facilitation Unit (PFU) was jointly established by the Lao Government and UNODC to be the main backbone responsible for the implementation of the National Programme Strategy, ‘The Balanced Approach to Opium Elimination’. Various Government decrees and orders reinforced the determination of the Government at all levels to implement this priority national programme strategy.

Provincial Level
- The Provincial Commission for Drug Control (PCDC) coordinates and strengthens drug control activities at provincial level.
- Counter Narcotic Units (CNU) have also been established in 11 selected provinces of Phongsaly, Oudomxay, Houaphanh, Xieng Khouang, Luang Prabang, Xayabuly, Bokeo, Luang Namtha, Vientiane Capital, Savannakhet and Champasack.

District Level
- The District Commission for Drug Control (DCDC) is responsible for coordinating and strengthening of drug control activities at district level throughout the country.

Village Level
- The Village Committee for Drug Control (VCDC) is the village level organisation responsible for drug control activities.

Border control
- So far, Lao PDR has established nine borderline offices (BLO) including one for Lao-Cambodia, one for Lao-China,
two for Lao-Myanmar, three for Lao-Thailand and two for Lao-Vietnam. The immigration police, customs and the provincial authority are responsible for these issues.

The Lao PDR began to address decisively the problems of drug production, trafficking, and addiction in 1990 with the establishment of the LCDC as mentioned above. This approach was taken as the new Lao Penal Code was being adopted. Article 135 of the code was drawn up to control substances, such as heroin and other narcotics. This article was amended in 1996 and again in 2001, placing limits on the possession of opium and heroin, with specific penalties for offenders. Renumbered as Article 146, this remains in force to address illicit drug trafficking as a criminal offense. At present, the production, trafficking, and distribution of heroin and methamphetamines are capital offenses.

In 1994, based on the experiences and lessons learned from the above pilot project implemented in Paravek, Hom District, Vientiane Province in 1987, the Government of the Lao PDR with support from UNODC, developed a First National Drug Control Programme which features a balanced approach and gradual reduction to drug control with an emphasis on alternative development. The broad objectives are:

- gradual elimination of opium poppy cultivation;
- elimination of cannabis cultivation;
- elimination of drug trafficking, refining and drug related crimes;
- drug demand reduction and prevention;
- control of psychotropic substances and precursors; and
- facilitation of international cooperation.

In 1998, the United Nations General Assembly Special Session (UNGASS) on Drugs called for a significant reduction in global illicit drug cultivation within ten years. In 1999, the Government of Laos jointly developed with UNODC the National Programme Strategy aiming to eliminate opium poppy cultivation in Laos, called ‘The Balanced Approach to Eliminating Opium Poppy Cultivation in the Lao PDR by 2006’. The programme strategy has three main components: alternative development; drug demand reduction; and law enforcement.

Following Prime Minister’s Order No. 14 of November 2000 regarding drug control, the Seventh Party Congress in 2001 passed a resolution in 2001 to eliminate opium poppy cultivation by 2005 – one year ahead of the planned programme. In October 2001, a new National Steering Committee to Combat Drugs was appointed by the President. With the Prime Minister as Chairman and the Minister of Public Security and the Minister to the President’s Office (and Chairman of LCDC) as Vice Chairman, the members were the Deputy Ministers of Defence, Information and Culture, and Public Health.


The socio-economic impact survey carried out by LCDC/UNODC in 2005 indicated that alternative development assistance has only reached 50 percent of the villages that used to grow opium in 1998 (2,056 villages). Another 50 percent (1,100) of former opium growing villages haven’t received any support for alternative development or for generating income replacing the income from opium. They still require urgent alternative development assistance.
In 2006, the Lao Government together with UNODC developed and officially adopted the National Strategy Program for the Post-Opium Scenario 2006-2009 targeting 1,100 villages with the objective of ensuring a sustained opium elimination process and ensuring the former opium farmers do not revert to planting opium poppy. The programme strategy has four main components: drug supply reduction through alternative development; drug demand reduction; civic awareness; and law enforcement.

In a speech by the Lao Prime Minister in the National Day Against Drugs in 2006, he identified ten measures to combat drugs. These include alternative livelihoods for former opium producing communities, treating remaining opium addicts, addressing the threat of ATS abuse and trafficking, strengthening legislation and the rule of law, and improving investigative capacities of law enforcement officers.

In addition, the new law on drugs that was approved by the National Assembly in December 2007 was signed by the President on the 14 January 2008. The new drug law forms an important legal framework for greater effectiveness in controlling drugs and related crime. The new law strengthens the role of the Lao National Commission for Drug Control and Supervision. The law specifies responsibilities for different sectors, including government agencies, society, the family, and the individual. Related criminal activity, such as fraud, is covered while international cooperation is stressed.


To implement the drug law, ensure the sustainability of the opium elimination and control the old and new emergent drugs in Laos, the LCDC with support from UNODC has devised the country’s first comprehensive National Drug Control Master Plan. The comprehensive National Drug Control Master plan comprises a strategy of nine components, three of which are cross-cutting.

<table>
<thead>
<tr>
<th>Programme Strategy Component</th>
<th>US$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 Trend Analysis and Risk Assessment (cross-cutting)</strong> with the objective to monitor the production, consumption, and trafficking of drugs in order to develop effective drug control policies strategies and programmes</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>2 Alternative Development and Poverty Reduction</strong> with the objective to negate the socio-economic needs to produce opium and address special needs of communities involved</td>
<td>44,000,000</td>
</tr>
<tr>
<td><strong>3 Drug Demand Reduction and HIV &amp; AIDS Prevention</strong> with the objective to reduce drug abuse, the spread of HIV/AIDS, and the harm caused by both</td>
<td>16,000,000</td>
</tr>
<tr>
<td><strong>4 Civic Awareness and Community Mobilization</strong> with the objective to mobilize all sectors of the Lao population to establish an anti-drug culture based on a better understanding of drug-related harms</td>
<td>1,500,000</td>
</tr>
<tr>
<td><strong>5 Law Enforcement</strong> with the objective to provide the entire Lao PDR with the means to resist drugs</td>
<td>4,000,000</td>
</tr>
<tr>
<td><strong>6 Criminal Justice and the Rule of Law</strong> with the objective to support the Rule of Law and effective enforcement in controlling drugs</td>
<td>4,000,000</td>
</tr>
<tr>
<td><strong>7 Chemical Precursor Control and Forensics Capacity</strong> with the objective to implement effective precursor control measures and improve technical capacity to identify illicit substances as required for enforcing the law</td>
<td>1,000,000</td>
</tr>
<tr>
<td><strong>8 International and National Cooperation (cross-cutting)</strong> with the objective to expand the partnerships by which the Lao PDR addresses the drug problem and control trans-national trafficking of illicit substances and sharing best practices</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>9 Institutional Capacity Building (cross-cutting)</strong> with the objective to provide the Lao PDR the increased capacity by which this National Drug Control Master plan can be effectively and efficiently implemented</td>
<td>500,000</td>
</tr>
</tbody>
</table>

Total: 72,000,000
The programme is estimated to cost US$72,000,000 over a five-year period (from 2009—2013). Funding will be utilised for the following programmes, related projects and activities which will support the nine components of the national drug control strategy programme.

NATIONAL POLICIES, STRATEGIES AND APPROACHES FOR SUSTAINING ILICIT CROP REDUCTION AND INTEGRATION OF ALTERNATIVE DEVELOPMENT IN BROADER DEVELOPMENT OBJECTIVES AND PROGRAMMES

To ensure the sustainability of opium poppy cultivation and addiction, the cost estimated for the alternative development programme under the comprehensive national drug control master plan 2009–2013 covers over half of the total cost of the master plan having been adjusted to place a greater emphasis on the 32 former opium producing districts out of the 47 poorest districts identified under the NGPES Strategy. Effectiveness The following are the priority former-opium growing districts under this plan.

<table>
<thead>
<tr>
<th>Provinces</th>
<th>Districts</th>
<th>Villages</th>
<th>Cost (US$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phongsaly</td>
<td>Gnot Ou</td>
<td>39</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Sampham</td>
<td>35</td>
<td>3</td>
</tr>
<tr>
<td>Oudomxay</td>
<td>Namor/Nga</td>
<td>37–15</td>
<td>5</td>
</tr>
<tr>
<td>Luangnamtha</td>
<td>Viengphukha/Na Lae</td>
<td>12±6</td>
<td>2</td>
</tr>
<tr>
<td>Huauphan</td>
<td>XamTai Phase II</td>
<td>155</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Vienghoong</td>
<td>64</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Viengxay/Sop Bao</td>
<td>32±27</td>
<td>4</td>
</tr>
<tr>
<td>Xiengkhouang</td>
<td>Khoune</td>
<td>55</td>
<td>4</td>
</tr>
<tr>
<td>Luangprabang</td>
<td>Phonxay</td>
<td>16</td>
<td>3</td>
</tr>
<tr>
<td>Bokeo</td>
<td>Meung/Pha Oudom</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>Vientiane</td>
<td>Xaisounboun/Iom</td>
<td>10±22</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Khamkheuth/Vienghoong</td>
<td>10±13</td>
<td>2</td>
</tr>
<tr>
<td>9 provinces</td>
<td>18 districts</td>
<td>557</td>
<td>44</td>
</tr>
</tbody>
</table>

A small amount of opium poppy was still being cultivated in Lao PDR in 2008.

The remaining opium poppy cultivated areas highlights the point that many former opium farmers still lack alternative development. This underlines the fact that opium elimination is fragile and has not been matched by the provision of sufficient alternative livelihoods.

This master plan programme modules will be integrated with relevant national programmes, such as the National Socio-economic Development Plan. The master plan will be linked with and managed in complementary partnerships with joint programmes and projects of other relevant national, international organisations and agencies. In the spirit of the Paris and the Vientiane Declaration the drug control master plan aims to maximize positive impacts and synergies through integrated coordination and joint collaboration ensuring aid effectiveness.

SUMMARY OF NATIONAL PROGRAMME AND PROJECT ON CROP ERADICATION AND INTEGRATED ALTERNATIVE DEVELOPMENT

The Government has been keen to find a way to create a drug-free lifestyle for the
Lao people, to reduce environmental erosion and to alleviate the poverty of ethnic minorities. Since 1975, the Government has taken significant steps to address opium production.

To help fulfill the 2001 resolution to eliminate poppy cultivation and the National Strategy Programme, and address the illicit drug problems together the government at all levels has educated the opium growers and non-opium growers to appreciate the importance of the resolution and to be aware of the laws and decree of the Government. From 2001, a massive civic awareness programme was mounted, creating awareness of the illegality of opium and other drugs. As part of this program, a ‘four no’ campaign (‘no production, no buying, no selling and no abuse of drugs’) was conducted in all provinces.

In 1989, the Government of Laos, with support from UNODC, piloted the Palaveck Project which was the first alternative development project in Laos with an opium elimination objective. This project demonstrated that strong supportive clan leadership and successful community participatory AD approach can reduce opium without the need of punitive measures or forced eradication.

Under the National Programme Strategy called ‘the balanced approach to opium elimination’ and lessons learned from the pilot project of Parevek as mentioned above, a series of alternative development projects aimed at reduction and gradual elimination of opium production and consumption were supported and implemented. The following projects were supported by UNODC and NAS:

- Lao-UNODC AD project in Long District, Luang Namtha Province (completed in 2004);
- Lao-UNODC AD project in Nonghed District, Xieng Khouang Province (completed in 2005);
- Lao-UNODC AD project in Samneua District, Houaphan Province (completed in 2006);
- Lao-UNODC AD project in the districts of Phongsaly, Boun Neua and Gnot Ou, Phongsaly Province (completed in 2007);
- Lao-US AD project in the districts of Boun Tai and Samphan, Phongsaly Province (completed in 2008); and
- Lao-US AD project in the districts of Ngoi and Viengkham, Luang Prabang Provinces (completed in 2008).

There were also other AD related projects supported by other donors such as WFP, China, GTZ, EU, IFAD, NCA, NORAD, JICA, CIDSE, Consortium, ADB, WB, and Lao World Group Co. Ltd.

Under the National Programme Strategy for the Post-Opium Scenario, there have been three AD projects supported by UNODC and UNIDO and implemented in the three northern provinces as follows:

- AD Project in Oudomxay Province funded by UNTFHS through UNODC and UNIDO, with a three year implementation phase which started in March 2007.
- AD Project in Houaphan Province. Funded by Luxembourg Government and NAS through UNODC with a three year implementation phase started from June 2007. The implementation of this
The project has been coordinated closely with the ADB project effectively in mid of 2008. The ADB project is responsible for putting in essential community infrastructure and activities.

- AD Project in Phongsaly Province funded the German Government through UNODC with a three year implementation phase started from January 2008.

These projects aim to extend sustainability of opium elimination and addiction and poverty reduction to former opium farmers by providing community based participatory alternative development activities, community-based treatment and rehabilitation and income generation opportunities emphasizing an integrated alternative development approach linking social, technical and economical aspects.

However, the implementation of the above three AD projects under this National Programme Strategy for the Post Opium Scenario so far can cover only about 110 villages (10 percent) of its target villages with some limited development activities.

Pichermai Village in Lao PDR is one village covered by the alternative development project in Phongsaly Province funded by the German Government through UNODC.

INTERNATIONAL REGIONAL AND BILATERAL COOPERATION ON ALTERNATIVE DEVELOPMENT AND ILLICIT CROP ELIMINATION

The success of the opium elimination and its sustainability requires support from the Government of the Lao PDR and joint regional coordinated efforts with different countries, international organisations, as well as non-governmental organisations (NGOs).

Lao PDR has cooperated with international organisations and agencies such as UNODC, UNIDO, WFP, UNICEF, UNAIDS, WHO, UNDP, FAO. It has also cooperated with international financial institutions such as ADB, WB and IFAD and had regional cooperation agreements such as the ACCORD Plan of Action. It has signed memoranda of understanding with six countries, and cooperated bilaterally with China, been a member of the Mini Dublin Group as well as working with ASEAN member countries, Norwegian Church Aid and other NGOs.

At the same time its cooperation with neighboring countries China, Vietnam, Thailand, Cambodia and Myanmar is reinforced by the establishment of more BLO along the border line and increased patrolling along the Mekong River. This action is proving to be more and more effective.

Laos has signed bilateral agreements on cooperation against illicit trafficking of narcotic drugs and psychotropic substances and precursor chemical control with a number of friendly countries namely: China, Cambodia, Cuba, India, Indonesia, Myanmar, the Philippines, Russia, Thailand and Vietnam.
SUMMARY OF ACHIEVEMENTS, LESSONS LEARNED AND MAJOR CHALLENGES ON ILLICIT CROP ELIMINATION AND ALTERNATIVE DEVELOPMENT

Achievements

To ensure the implementation of the National Strategy Programme, the LCDC and UNODC has established a joint monitoring system and jointly conducted the first opium survey in the northern provinces in 1998. Since 2003, the joint monitoring system has been conducted annually.

With the efforts of the Government through the implementation of the alternative development project, Drug Demand Reduction, Civic Awareness and Law Enforcement and with financial and technical support and assistance from the international community, NGOs and private sector, six districts were able to be declared opium free in 2003. The following year, another five provinces and 32 districts officially declared their opium free status. By mid-2005, all provinces and districts that used to grow opium in Laos had been declared opium free.

With the implementation of more than 10 AD-related projects in the period 1998–2006, the opium poppy cultivation area was reduced to 1,500 ha. from 27,000 ha. and the opium addicts reduced to 12,000 from 63,000. By 2006, from being the third largest producer of illicit opium and having the highest opiate abuse rates in the world, Laos has practically entered a post-opium setting, having significantly eliminated opium poppy and treated the majority of its opium addicts. On 14 February 2006, the Government of Laos officially declared its success in being able to eliminate opium poppy cultivation to insignificant levels. This is seen as a praise worthy and historical achievement, but much more needs to be done.

Since 2003, LCDC/PFU has been implementing a community-based drug treatment programme. Previously, health practitioners in Laos used liquid tincture of opium to detoxify opium addicts. In early 2005, LCDC, UNODC/PFU, the Ministry of Health (MOH) and Pharmaceutical Factory Number 3 developed tincture of opium in capsule form. Treatment using tincture of opium capsules has proven very effective in providing smooth detoxification. The treatment guidelines for tincture of opium capsules were developed and treatment is being expanded on a nationwide basis.

Through the implementation of a strategy making use of community-based care in which key village leaders play an important role, and involving the use of tincture of opium in withdrawal management, over 20,000 former users have been treated. In the process, over 500 practitioners have been trained, equipping Laos with the skill to reduce opium use significantly and to treat the remaining 12,000 users. This has resulted in a reduction of opium use by 70 percent since 2000. However, more needs to be done to provide treatment and rehabilitation to the remaining addicts, as well as to prevent relapse and new addictions. This is seen as a crucial measure to ensure opium elimination and its sustainability.

Treatment and rehabilitation of drug addicts is a main-stay of Laos’ drug control programme.
For the treatment of other drugs addicts such as ATS and heroin, the Government has established some treatment centers with support and assistance from different donors as follows:

- Somsanga Drug Treatment Center in Vientiane Capital (USA, UNODC, Japan);
- Champasack Drug Treatment Center (Thailand);
- Savannakhet Drug Treatment Center (USA);
- Bokeo Drug Treatment Center (NCA, USA);
- Xaiyabuly and Ngeun Districts Drug Treatment Center in Xaiyabuly Province (Brunei);
- Oudomxay Drug Treatment Center (China); and
- Luang Prabang Drug Treatment Center (Japan)

To prevent the spread of ATS abuse, in early 2005, an LCDC mission leaded by its chairman was conducted to the southern province to assess the situation. Relevant provincial authorities and agencies identified ATS-awareness raising activities including seminars as being necessary to mobilize the masses.

- From mid-2005 to early 2006, LCDC, NAS and UNODC carried out a joint ATS awareness raising campaign in almost all provinces.
- The participants were the provincial, district and village authorities, mass organisations, police, different department and private business units.
- This allowed them to understand the dangers of ATS, the policy and strategy of the Government, UNODC and NAS for addressing Drug especially ATS problems as well as identify priority needs and measures to be taken by provincial and district authorities and other organisation concerned.

- From April to November 2007, the Lao-ROK project, LCDC and UNODC also jointly carried out the ATS awareness campaign to almost all provinces. About 80 percent of the campaign beneficiaries were students.
- All PCDCs across the country, after receiving some necessary equipment, ATS, VCD and posters from LCDC, UNODC and the Lao-ROK project for awareness raising campaigns, continued carrying out the campaigns at districts levels. According to the PCDC’s report in late 2007 more than 200,000 people participated in this campaign.

**Lessons Learned**

- The development of effective drug control organisations at all levels backed by strong government commitment, a clear legal framework, mass civic awareness campaigns and sufficient funding under conditions that ensure law and order is crucial to the success of opium elimination in Laos.
- Strong supportive clan leadership and a successful community participatory AD approach can reduce opium without a need for punitive measures or forced eradication.
- Reduction should be based on farmers contracts to eliminate opium poppy.
- Elimination is however outpacing provision of sufficient alternative development and drug demand reduction efforts to all needed areas of the country.
- Opium and poverty elimination is a long term process that cannot stop even after most of farmers have stopped opium cultivation.
- Communities must be given hope of a better future with dignity and respect. To achieve this, complementary and synergistic development partnerships must be formed.
• Lack of funds for needed interventions could be helped by better impact assessment, better understanding of coping strategies to adjust strategies and approaches and better monitoring, evaluation and reporting.

Some Challenges

The challenges ahead for Laos are many: they include the need to ensure opium remains eliminated and that former opium poppy farmers are provided with sufficient and sustainable alternative livelihoods; the need to treat all remaining opium addicts, prevent both new addictions and relapse; the need to address the increasing problems of ATS and heroin (injecting drug users) abuse and trafficking on society and the economy; and the need to strengthen legislative, judicial and law enforcement capacities to deal with these issues.

The socio-economic impact survey carried out by LCDC/UNODC in 2005 indicated that alternative development assistance has only reached 50 percent of the villages that used to grow opium in 1998 (2056 villages). Another 50 percent (1,000) of former opium growing villages haven’t received any support for AD or for generating income to replace the income from opium. They still require urgent alternative development assistance; if not they could revert back for lack of alternatives and other opportunities. The survey also found that poppy growers had an annual cash income of US$ 139 while their non-growing neighbors earned US$ 231. Although there have been general increases in rural income, incomes in former opium poppy growing villages are rising more slowly than non-opium poppy growing villages. This increasing disparity, along with the high price of opium at about US$ 1,300/kg from US$ 80/kg, raises the likelihood that ex-growers will resume poppy cultivation. If that occurs, eliminat-

RECOMMENDATIONS FOR FUTURE DEVELOPMENT AND IMPLEMENTATION OF ALTERNATIVE DEVELOPMENT AND ILLICIT CROP ELIMINATION PROGRAMME

• There is a need to implement a special project targeting some 1,100 villages until these areas are eventually fully integrated into the national poverty reduction and national socio-economic plan.
• Need to source and seek sufficient funds to carry out the planned activities under the comprehensive national drug control master plan.
• Need to cooperate with neighboring countries and international organisations and agencies concerned in research and technical assistance in finding appropriate technologies, alternatives and markets for opium poppy farmers and to resolve the problems of illicit drug including ATS and injecting drug users.
• Need for government organisation and structure at all levels to continue taking ownership and to monitor, coordinate and cooperate in a joint effort with international development agencies and NGOs to address the drug problem.

CONCLUSION

The Lao PDR is at a critical juncture. Not providing timely, sufficient, and appropriate assistance risks reversing the successes
achieved. If opium poppy farmers and addicts resume growing poppy in order to survive as well as to feed their addiction, this together with increased cross-border ATS, heroin and human trafficking, would give rise to corruption, money laundering, and related criminal activity including transnational organised crime.

Drugs and their related problems are a global problem. The Lao PDR is not able to address these problems alone and requires the help of the global community and international organisations to address this serious threat in a joint collaborative effort. The Government of the Lao PDR welcomes all assistance and support both financial and technical to enable it to achieve the goal of creating a happy, drug free and prosperous society governed by the rule of law for all Lao people and to work towards the vision of a drug-free ASEAN (2015).
Houaphan Alternative Development Projects - Village Based Development Component

Presented by Mr. Maung Hla Wai, Technical Advisor, UNODC

OVERVIEW OF ILLICIT DRUG SITUATION, PRODUCTION AND ABUSE

As of November 2008, Houaphan Province had 2,733 opium addicts, out of which 545 were females. Most of these addicts have received treatment at least once during the past five years except 767 addicts who have never received it.

In the 2007—2008 opium planting season, there were 519 plots covering 144.13 ha, out of which 468 plots of 117.33 ha were destroyed whilst 51 plots, of 26.8 hectares, were not destroyed due to remoteness.

As Houaphan Province shares a border with Vietnam, there is a cross-border drug relationship between the two countries. Opium is scarce so addicts who have relapsed tend to abuse amphetamines-type stimulants (ATS) and heroin. At the same time, injecting of the drug has become an issue and exposes addicts to the danger of HIV/AIDS. There are currently seven addicts who are infected with the HIV virus. (Provincial Health – 2008)

ALTERNATIVE DEVELOPMENT STRATEGIES AND APPROACHES

The project applies participatory methods to all its work. Especially in training, par- ticipatory methods and application of Participatory Rapid Appraisal techniques are essential requirements. The project emphasizes local ownership and sustainability. Technical support to water user associations, construction of gravity water supply schemes, rural tracks, fish-ponds, or credit revolving funds takes place through groups. These groups have been formed prior to the activity so as to ensure men and women’s participation in the preparation, design, operation and maintenance.

The project provides affordable short and medium-term credit to poor families, ex-addicts and former opium growers (model families) through village saving and credit groups for income generating activities. Seventeen village saving and credit groups have been formed in villages where the conditions are sufficient to ensure the sustainability of the activity. A village saving and credit groups network is established among neighbouring villages to exchange experiences, to manage the programme efficiently, and to use credit funds effectively. The project assists the District’s Lao Women’s Union to form a micro-finance institution (revolving funds at district level). The credit is released to the village saving and credit groups through the dis-
strict’s Lao Women’s Union.

The micro-credit activity is improving the livelihoods of the poor villagers, which represent nearly 80 percent of the households in the project area. By using the credit for animal husbandry, cash crop production, fruit trees growing, and other income generating activities, mainly weaving, small trading, etc. Sixty percent of them are expected to be out of poverty after three years of project implementation.

PROJECT ELEMENTS

Objective

To sustain opium elimination whilst improving the socio-economic wellbeing of the beneficiaries in the 27 target villages in Xam Neua and Xam Tai Districts, Houaphan Province. The total project budget is 1 million US dollars.

Output 1: Capacity Building

Activity 1.1: Socio-economic Baseline Survey: Carry out a socio-economic survey to assess socio-economic baseline situations in selected villages in the four sub-project areas, including data on opium production and abuse.

Indicator 1.1: Socio-economic Baseline Survey Achievement Indicator: Number of poor families who are getting out of poverty, income improvement.

Activity 1.2: Village Development Committee’s (VDC) Training: Carry out training programmes for VDCs including methodologies for collecting village information, village development planning, organisation of VDCs, developing procedures and guidelines, the role of village leaders, facilitating village meetings, improving communication and negotiation skills, developing motivation, building confidence, resolving conflicts, and managing organisations.

Indicator 1.2: Village Development Committee’s Training Achievement indicator: VDC training program conducted on village development such as responsibility and quality of leadership.

Activity 1.3: Participatory Needs Assessment: Undertake a participatory needs assessment of project beneficiaries by giving the fullest support to project beneficiaries to come forward expressing their needs and by strengthening VDCs to facilitate future participatory needs assessment sessions.

Indicator 1.3: Participatory Needs Assessment Achievement Indicator: Participatory needs assessment sessions are conducted.

Activity 1.4: Village Development Plan (VDP): Take the lead in assisting villagers to prepare village development plans.

Indicator 1.4: Village Development Plan Achievement Indicator: VDCs are strengthened in each village by June 2007 and VDPs are prepared by November 2007.

Activity 1.5: Capacity Building and Training: Provide formal and informal training to community development workers, VDCs, villagers, project staff and district and provincial official.

Indicator 1.5: Capacity Building and Training Achievement Indicator: 1) Selected villagers in each village trained in technical knowledge of agriculture technologies, and livelihood development; and 2) Training materials in local language are produced, tested and used.

Activity 1.6: Participatory Monitor & Evaluation: Train VDCs in developing and implementing a participatory monitoring and evaluation plan to track changes over-time.

Indicator 1.6: Participatory Monitoring Achievement Indicator: Participatory monitoring within the regular baseline follow-up.
Output 2: Drug Demand Reduction

Activity 2.1: Drug Demand Reduction: Take the lead in assisting VDCs to develop a community base drug demand reduction program

Indicator 2.1: Drug Demand Reduction Achievement Indicator: The total number of drug addicts identified during the baseline survey is detoxified and rehabilitated according to the community-base model.

Activity 2.2: Community Health Information: Organise public awareness campaigns for family planning, preventive health care, and nutrition including such topics as drug abuse, disease prevention, hygiene and sanitation, and environment.

Indicator 2.2: Community Health Information Achievement Indicator: Public awareness campaigns for family planning, preventive health care, drug abuse, nutrition, disease prevention, hygiene, sanitation and environment.

Output 3: Poverty Reduction

Activity 3.1: Income-generating Activities: Assist villagers in developing income-generating activities such as livestock and cash crops, vegetables and fruit trees, handicraft, and marketing of such products.

Indicator 3.1: Income-generating Activities Achievement Indicator: Marketable alternative income-generating activities are developed in all target villages.

Activity 3.2: Village Saving and Credit Scheme: The project assists the credit component in cooperation with the Lao Women's Union. Review traditional methods of savings and credit, and existing organisations and structure at the village level. Assist and train the Lao Women's Union in (i) developing guidelines for beneficiary selection, record keeping; (ii) setting terms and conditions of loans; (iii) establishing simple financial management systems for short and medium-term credit provided under the project; and (iv) monitoring any needs for long-term credits on a quarterly basis to assist farmers to get access to such credit in the Agriculture Promotion Bank.

Indicator 3.2: Village Saving and Credit Scheme Achievement Indicator: Short and medium-term revolving credit funds established in each village and majority of ex-opium farmers are provided with credits to finance agricultural and livestock income-generating activities by 2009.

Output 4: Village Infrastructure and Road Access (Asian Development Bank supported activities)

Activity 4.1: Water Users Association: Assist in orchestrating Water Users Associations (WUAs) to operate and maintain systems.


Activity 4.2: Road Access: Assist in the upgrading or construction of rural access roads with people's participation.

Indicator 4.2: Road Access Achievement Indicator: 50 km of access roads to connect 27 remote villages rehabilitated/constructed by 2009.

KEY INNOVATION ASPECTS

Capacity at the community and village level are essential to successfully carrying out the alternative development activities thus the project takes a responsibility to strengthen those capacities by reaching out to ex-opium growers and farmers. Regular capacity training – organisation, technical implementation, monitoring and evaluation – have been conducted based on the needs assessment. Village development plans are
established according to the inspiration of the ex-opium farmers.

After the organisation is strengthened and rules and regulations are established, it is found that the saving and credit component is a requirement to commercial production in replacing the opium income. Awareness raising and technical training are carried out to ensure that the village saving and credit groups are sustained and revolving. As saving is a new concept for the remote area villagers, sustained monitoring and follow-up is required.

Community treatment of opium addicts offers a good chance of sustainability when sufficient psychosocial supports and counseling are carried out comprehensively and in a timely manner. A half-way house where ex-drug users rehabilitate both physically and mentally is a good step in sustaining treatment.

**PARTNERSHIPS, NETWORKING**

The project (AD/LAO/06/H98) endeavors to cooperate with various stakeholders particularly from the Alternative Livelihood for Upland Ethnic Group Project (ALEP) which is financially supported by the Asian Development Bank (ADB). While H98 carries out micro-credit activities and treatment of opium addicts (dependent drug users), ALEP takes charge of various infrastructure works (access road, water supply schemes, clinic), and agricultural extension services. The synergy that generates from the partnership results in efficient implementation of the project.

Moreover, the project participated in various commercial fairs including the Women International Group (WIG) Fair, the Vientiane Exhibition which offers the opportunity to showcase weaving products and expand market possibilities, as remote area villages are out of the marketing loop. Target area villages are well known for theirs famous design and good quality products. The Ministry of Agriculture and Forestry’s (MAF) agriculture fair in Vientiane (at Lao ITTEC) is a networking opportunity where the project similarly can showcase its products and expand marketing opportunities.

The Japanese Grant Assistance for Grass-Roots Development is an important partner. It aims to promote the development of ethnic group education by supporting in the construction of schools, and access track. In addition, the Poverty Reduction Fund (PRF) has been involved in the development of provincial socio-economic development since 2002. The fund has largely supported various infrastructure projects in the province. In addition, it has also supported capacity building activities at the village level such as organisation and agricultural extension activities.

**ACHIEVEMENTS**

Various achievements have been attained as a result of the project’s interventions.

Infrastructure construction such as access roads and tracks at D35 (2001—2006) has improved livelihoods as villagers now can transport products to the market very quickly unlike in the past when they had to walk with the produce for two to three days to reach to the markets. Maize can be sold before spoiling, and livestock can be transported quickly.

Water supply projects are improving and helping to sustain the health of ex-opium farmers and thus enabling them to be more productive in off-farm and farming activities, particularly weaving which is mostly done by women. Moreover, water supply projects are considered to be time-saving
tools, which in turn help women to do more income-generating activities thus leading to higher incomes.

The provision of water supply to villagers improves health and also allows many livelihood activities to take place.

As a result, 60 percent (out of a total of 80 percent) of the poor households were able to get out of poverty during 2001 to 2006. Gradual reduction of poverty is observed and poverty reduction should not take long if there are sufficient inputs – capital, know-how, and market outlets.

Due to the project intervention, ex-opium farmers’ understanding of saving and credit has been increased, while the number of group membership has increased to 676 (H98). With the continued support from the project micro-project team, the farmers now have the opportunity to improve their income and livelihoods. Gradual reduction of poverty of about 12 percent has been observed since July 2007.

With the provision of water supply and latrines as well as a health awareness raising campaign, child and maternal health have been improving gradually. Infant mortality rate has come down from 80 in 2007 to 67 in 2008 while the maternal mortality rate has been reduced from 450 to 384. (Provincial Health Department)

GOOD PRACTICES

In general, capacity at the village and district level is rather low. Strengthening capacity at the village and district level, as it pays off in sustaining activities in the long term, is a good practice.

LESSONS LEARNED

Mr. Vanpheng (Nasala Village, Samneua District) received a two-month woodworking (carpentry) training in 2003. He started making significant income by selling the furniture when there was the market opportunity in 2007. The lesson learned from this was that any income generation activities should consider market access and opportunities in order to have development impact.

Some old addicts (as old as 75 years old) can be successfully treated if there is the determination or willingness from the addicts plus project contribution in the form of initial detoxification and follow-up treatment using the village medical boxes.

KEY CHALLENGES

At present, the province farmers grow only one commercial crop (maize). As a consequence, when the maize price drops, they are faced with a reduced income thus limiting progress in their socio-economic condition. Furthermore, the only external market for maize is Vietnam making the market for
the product extremely limited.

Villagers living in remote areas lack convenient road access to export their products. Due to rough roads, taking the product to market takes a long time and sometimes the product’s quality is compromised thus reducing the sale price. This, in turn, discourages the farmers from continuing with the same product the next season (when the price tends to go up as there will be less supply).

Furthermore, target area villages lack access to capital to set up processing facilities.

As former opium farmers begin to realize they can earn a decent income from licit means and as socio-economic wellbeing is improved, confidence in alternative development activities gains ground, leading to sustainability. It is important to show that the project can help to improve the wellbeing of the local community.

**RECOMMENDATION FOR FUTURE DEVELOPMENT**

In order for alternative development programmes/projects to be successful, both supply and demand sides have to be tackled simultaneously. It is necessary to treat addicts while viable commercial production opportunities are promoted with the support of proper marketing links and channels. In general, ex-opium farmers face the difficulty of linking up to reliable markets.

It is also important to diversify marketing outlets (ie not rely on a single or limited market only) for products (maize, soybean, livestock, non-timber forest products) and diversify planting (production) patterns by growing products during off-season when the prices tend to be higher. At the same time, it is important to continually improve infrastructure – access road and tracks – for easy and timely access to multiple market outlets.

Most remote communities are deprived of the means to engage in commercial production due to lack of funds. Thus, the possibility of establishing and expanding village saving and credit groups to all ex-opium growing villages should be explored as ex-opium farmers will then have the opportunity to meaningfully engage in alternative production.

As income replacement and improvement is a main part of alternative development, systematic economic analysis of viable and important commercial products should be further explored so as to utilize available funds efficiently.

When organising study tours or training of village volunteers and other technicians, participants should be selected on the basis of their involvement in the actual implementation of the activities.

With a proper follow-up, community based treatment of opium addicts is cost effective and efficient. Moreover, counseling prior to detoxification is an important step in making sure that addicts will not relapse again after treatment is completed. There is, therefore, a need to continually organise refresher training for counselors as most counselors in the districts and zones are relatively inexperienced.
Social and Economic Rehabilitation for Former Opium Poppy Growing Community – Alternative Livelihood Development, Oudomxay Province, Lao PDR

Presented by Ms. Edna Legaspi, Technical Advisor, UNODC

INTRODUCTION

Oudomxay Province is a mountainous area of 15,370 km sq with a total population of 255,549 people distributed across an estimated 41,720 households in 586 villages in northwestern Lao PDR. The surrounding provinces are Luang Namtha, Bokeo, Xayabouly, Luang Prabang and Phongsaly. Oudomxay is considered to be the most promising province of Northern Laos for market development. It is linked by road from Xay District to China (90 km), to Vietnam (200 km) and to Thailand (200 km).

The ethnic composition of the province comprises 63 percent Lao Theung (Khmu Rok, Khmu Ou, Khmu Khong, Khmu Lu, Lao Bit and Kongsat), 23 percent Lao Soung (Hmong Khao, Hmong Lay, Ho, Poussang, Lantene) and 14 percent Lao Loum (Lao Lou, and Thai Dam).

The provincial capital, Xay, is home to a population of around 12,000 people. The provincial administration is divided into seven districts: Xay, La, Namo, Nga, Beng, Houn and Pakbeng.

The project on Social and Economic Rehabilitation of Former Opium Poppy Growing Community – Alternative Livelihood Development was signed in January 2007 between the Lao Government, UNODC and UNIDO. Currently the project is being implemented in Houn and La Districts. There are 10 target villages in Houn District and 10 target villages in La District. The immediate objective of the project is to provide drug and opium addicts, their dependants and the wider community in three districts of Oudomxay Province with community-based treatment and income generation opportunities emphasizing an integrated alternative development approach which links social, technical and economical aspects. The project is supported by the United Nations Trust Fund for Human Security (UNTFHS) for three years in three implementation phases and is jointly implemented by the United Nations Office on Drugs and Crimes (UNODC) and the United Nations Industrial Development Organisation (UNIDO). In Oudomxay, the stakeholders call this project the Post-opium Surpass Poverty (PSP) Project. Presently there are 19 project staff and four district counterparts in the project.

OVERVIEW OF THE ILLICIT DRUG SITUATION: TRAFFICKING AND ABUSE

Oudomxay used to be one of the highest opium-producing provinces in the country. While the province was officially declared opium free in 2004, there is a pressing need to provide community-based treatment for
the approximately 2,000 remaining addicts. Moreover, it is imperative to provide sustainable livelihoods to the farmers that have stopped growing opium, in order for these people not to revert to opium poppy cultivation once more.

However, a recent survey shows that household cash income from opium sales has decreased dramatically and only amounts to 10 percent of the total household income. Limited availability of opium poppy has turned it into an expensive commodity. What is still produced is consumed by the country’s approximately 20,000 remaining opium addicts, living in northern Laos.

The 2005 opium survey estimates that opium cultivation has declined cumulatively by more than 25,000 ha, or by 93 percent since 1998. It is estimated that approximately 6,200 households still engage in opium cultivation, representing about two percent of the total households in northern Laos.

As the country has reduced opium production significantly and was declared opium free two years ago, Laos is practically in a post-opium setting. However, the coping strategy survey carried out as part of the annual opium poppy survey indicates that some 50 percent of former opium producing communities could revert to cultivation if no alternative livelihoods can be provided. The country is at a critical juncture and implementation of this project is required to ensure the sustainability of opium elimination, especially in Oudomxay.

Elimination of opium cultivation is not the end of the road. As shown above, opium growing households and former opium-growing households are intrinsically more vulnerable than their non-opium growing counterparts. They also, to a greater degree, lack access to social infrastructure, health care and education. Addiction is also a source of continuing concern in these communities, as it greatly reduces household productivity and increases the risk of households going back to cultivating opium. The reduction or elimination of opium consumption is vital to improve the social, economic and emotional welfare of the community and women in particular. For the most part, when villagers cultivate opium, women are the primary providers for the family and would be responsible for procuring the opium for the husbands and preparing it for them to smoke. Women in opium cultivating areas have reported domestic abuse and conflict in households with an addict. This project will ensure the sustainability of opium elimination and support to the vulnerable communities in the province.

Amphetamine type-stimulants (ATS) abuse, up until recently mainly an urban problem, is spreading to rural areas. It now is increasingly common among the student population and among outside groups. ATS abuse is also on the increase among villagers, possibly as result of increased availability of the drug but also a result of addicts wanting another substance to compensate for the lack of opium. The project creates increased awareness of the negative effects of ATS and supports preventive interventions targeting at risk segments of the population so as to keep ATS from becoming a major health and social problem.

One of the target villages – Ban Katangya – in Houn District, Oudomxay Province.
ALTERNATIVE DEVELOPMENT STRATEGIES AND APPROACHES

The broad human security issues that will be addressed by the project at the community level include the following:

- treating and rehabilitating former substance abusers;
- opening access to six of the 20 remote villages to ensure that all villages are accessible the year round;
- re-introducing indigenous crops and basic agro-processing technologies to decrease dependence on upland rice production that relies on slash and burn techniques;
- initiating networking to help ethnically diverse populations overcome cultural and physical isolation;
- providing education and proper training to improve future economic opportunities for a growing young population;
- introducing accurate land allotment to address diminishing agricultural land availability;
- improving literacy levels, especially among ethnic groups and women; building adequate clean water supplies and small irrigation schemes;
- providing villagers with information and hands-on training in sustainable forest resource management, marketing forest products, and adding value to products through agro-based processing; and
- evoking awareness of ATS issues.

The project has primarily contributed to the social and economic re-integration of opium addicts by imparting much needed technical skills and livelihood opportunities.

Combined with the enhancement of life skills, beneficiaries are empowered to influence their status and prosperity in terms of income, food security, health, access to services and employment opportunities. Through the productivity and service centers, more efficient and effective non-timber forest products (NTFP) and agro-processing will result as well as other promoted income generation activities.

Based on the inclusionary approach, which will ensure that all local communities are direct beneficiaries, the project will lead to sustainable rural development, contributing to poverty alleviation in Houn, La and Xay districts of Oudomxay.

The project is implemented in a complementary and synergistic partnership – UNIDO is providing its expertise in production, processing and marketing of agro-products and UNODC is providing technical assistant and expertise in alternative development and community-based approaches to development as well as drug treatment and rehabilitation. Each agency is using its own budget and workplan for specific outputs.

PROJECT ELEMENTS

The overall goal of the project is to contribute to the Government’s efforts to reduce the dependency on the illicit drugs by means of assisting farmers in securing sustainable livelihoods as well as creating an enabling environment for sustained opium elimination. This is to be accomplished by mainstreaming of the National Growth and Poverty Eradication Strategy (NGPES) and the promotion of rural enterprise development combined with the introduction of appropriate technology.
As previously stated, the immediate objective of the project is to provide drug and opium addicts, their dependants and the wider community in three districts of Oudomxay Province in northern Lao PDR with community-based treatment and income generation opportunities emphasizing an integrated alternative development approach linking social, technical and economical aspects.

The project aims to address some key causes for alternative income sources' previous failure to transform the local economy and increase household incomes. This includes low prices, lack of extension and appropriate technology, lack of access to markets and lack of affordable credit. It will utilise a market-driven approach, develop and identify appropriate technologies and add value to products. This year the project has provided access to essential physical, socio-economic infrastructure and supports the provision of affordable micro-credit in the 14 target villages.

To contribute to an economically viable alternative development the project is focusing on:

- treating and rehabilitating opium addicts;
- community organisation and the provision of vocational training;
- rural enterprise development;
- marketing and sustainability of services provided.

The specific objectives to be achieved during the three project phases are listed below.

**Phase 1** focuses on achieving the following objectives:

- rehabilitating opium addicts and involve them in income generating activities;
- establishing a productivity and marketing center (PMC);
- strengthening and training village productivity groups (VPGs) to contribute to rural economies;
- organising communities to manage the social development of their villages.

**Phase 2** focuses on the following objectives:

- enhancing the coverage and operation of social services;
- improving or constructing basic infrastructure;
- training VPGs and getting them involved in income generating activities, which are linked to the PMC.

**Phase 3** focuses on:

- improving market access of VPG/PMC products;
- sustaining income generation activities of VPGs/PMC;
- completing the basic infrastructure.

**HIGHLIGHTS AND KEY INNOVATIVE ASPECTS OF THE PROJECTS**

One of the key issues for promoting alternative livelihoods is marketing. Experience has demonstrated that promotion of alternative crops or other income generating activities have been constrained by an inability to obtain needed inputs, inadequate quality control, absence of processing and storage facilities, lack of access to markets and lack of market information.

Following the eradication of opium, the only sources of income for many villagers of Oudomxay have been the collection and sale of NTFPs e.g. cardamom, bamboo shoots, wild vegetables, wildlife, rattan canes, posa bark, and mushrooms. A vari-
ety of agro-products such as maize, soybeans, peanuts, sesame, rice, ginger, etc. are also cultivated. When these products are not sold in local markets most NTFPs leave the country in a raw state to buyers from China, Thailand and Vietnam because little capacity and knowledge exists for processing them in Laos. One of the main tasks and objectives of the project is to promote processing and marketing of prominent NTFPs. The project is doing this by sourcing private companies, who are interested in the products made from the raw materials available in the target villages. Once such a product is identified, a training module is developed in close cooperation with the private sector to ensure the right product is made according to the specifications of the private company. PMC will ensure the quality control for the products, before they are transported to the buyers. The project aims to train the villagers only for those products where markets are already available.

The PSP Project–UNIDO component is using only the local resources available in the villages and will develop processing potentials for these products to add value. By doing so, the villagers get additional income from processing these products in their villages. Machines are either locally made (extraction of essential oils, oil presses, and paper pulping machines) or sometimes bought abroad once the technology is better known. The following products have been placed into commodity groups and are further tested and developed for the village productivity groups:

### Chemical group
- **Sesame Oil** – by using a sesame pressing machine to extract oil. The oil is used for massage and is marketed in Vientiane and Luang Phrabang (four to six kilograms of sesame seeds will produce one litre of oil depending on the different presses used). This will almost triple the income of the farmers from sesame seed production.
- **Galangal oil** – Galangal oil is extracted using steam distillation technologies and is used in the pharmaceutical industry and as a food additive.
- **Jatropha oil** – oil extracted by oil press is filtered and used directly in local vehicles without converting it into biodiesel. This will provide a local solution for a local problem and reduces the need to transport fuel to these remote villages.

### Mechanical group
- **Brooms** – from broom grass coming from the fallow land (grasslands); in close consultation with the private sector, new brooms designs are made.
- **Paper products** – made from posa, banana or bamboo shoot. Paper is made from these three types of raw material to ensure a year-round production. It is interesting to know that traditionally the opium was wrapped in the bamboo paper for conservation purposes. Now this local knowledge is used to make new products.
- **Handicraft items** – these are made either from “kheua piad” (a jungle vine) cotton by using weaving, crocheting or embroidery technologies.
- **Bio-sand water filter** – to ensure that good drinking water is available to the villagers.

In addition to non-timber products, agro-products such as chillis are grown and sold at market by villagers.
In order to improve and sustain the production of these products, Village Productivity Groups (VPGs) are formed as micro-enterprises at the village level. These VPGs are linked to the markets through the PMC. The project hired two nursery specialists from the Provincial Agriculture and Forestry Office (PAFO) to ensure the sustainable supplies of the needed raw materials. The project is establishing nurseries for posa, broom grass, jungle vine “keua piat” and jathropa in a cluster of villages in the two districts.

Recently, with the assistance of the project, the Village Productivity Group attended two trade fairs in Vientiane (Lao Handicraft Festival and the Women International Group Festival) and one in China to advertise the products, establish contacts and also to acquaint themselves with the market trends (demand/supply).

PARTNERSHIPS, COLLABORATION AND NETWORKING WITH GOVERNMENT, NON-GOVERNMENT AND OTHER DEVELOPMENT AGENCIES AND PROGRAMMES

- The provincial government provided the PSP project with the full time national project director (NPD), deputy national project director (DNPD) and three other technical support staff from the Provincial Industry and Commerce Department (PICD) as well as the premises free of charge.
- PCDC Oudomxay is the project’s partner in the conduct of the drug awareness raising campaign and other related drug events in the target villages, districts and in the province. The PICD Oudomxay is the project’s partner for the development of agro-business and marketing promotion.
- The project is accessing the expertise and resources of the government line counterparts (provincial and district) e.g. health, industry and commerce, transportation and communication, agriculture, for survey, design and establishing basic infrastructures, and providing the required skills training for the beneficiaries.
- Access US$ 5,000 from the LCDC office to support the office construction for the district counterparts in La District.
- Submitted the funding proposal for cable bridge and primary school construction for the two target villages of Japan’s Grant Assistance for Grassroots Human Security Projects (GGP) at the Japan Embassy in Vientiane amounting to US$ 109,649.76.
- Establishing links with the Royal Thai Project in Chiang Mai for possible project assistance in Xay District.
- Established coordination with other international organisations (IFAD, GAA, UNICEF, and WFP) to exchange information.
- Established contacts and links to private individuals and organisations for technical trainings and marketing support.
SUMMARY OF ACHIEVEMENTS, GOOD PRACTICES, LESSONS LEARNED, KEY CHALLENGES AND CONTRIBUTIONS TO SUSTAINABILITY OF OPIUM REDUCTION IN THE COUNTRY.

Good Practices

- Conduct coordination / missions of national and foreign delegates to the project (Mini-Dublin Group and Royal Thai Project) that brought funding opportunities to a number of PSP project activities e.g. support in the construction of district counterparts’ office in La, bridge and primary school in Houn District.
- Organised weekly meetings for staff and district counterparts and a consultation meeting with the government line agencies to discuss accomplishments, constraints and the workplan makes the work easier.
- The sub-contracts of water supply and irrigation constructions were made by the local counterparts (provincial, district) with participation from the villagers. This allows high ownership and sound responsibility of the local counterparts.
- Traditional skills available in target villages like bamboo paper and jungle vine knitting in Khmu villages were identified. Improvement of these products in terms of marketability and product design are at present ongoing.
- Formation of village productivity groups (VPGs) that are able to implement activities to ensure a stronger position for the villagers. These VPGs can easily network and create links with support institutions and absorb technical and financial assistance better.
- Provision of credit through community guarantee groups for income generation activities. Most members in the village savings and credit fund (VSCF) are women. Agro-processing activities which are ongoing in the target villages can access loans from VSCF to bridge the time between harvest and the time the processed products are sold. This will facilitate their participation in the community development.
- Participatory approach to planning, implementation, monitoring and evaluation.
- Capacity building at district, village and community levels.
- Strong commitment and cooperation from project beneficiaries made it possible to reach the project objectives.

Achievements in Drug Demand Reduction

- Visits and training have been conducted for the drug treatment center staff to gain basic knowledge of patient treatment and center management i.e. treatment protocols and security matters.
- The staff also attended refresher ‘training of trainers’ courses on drug counseling from a Singaporean trainer in Vientiane.
- In 2008 forty-one male drug addicts were treated and detoxified at the treatment center and went back to their community. Eleven were trained in flower pot making.
- In collaboration with PCDC series of drug awareness raising campaigns were conducted in the target villages, district high schools and the province. Support of events for International and National Day against Drugs was provided, and drug-related posters, and T-shirts with a message, ‘Do drugs control your life?’ were distributed to the public especially to students.
- Key project staff attended the drug demand reduction workshop in Vientiane in preparation for the establishment of
the community half-way house at the center for long term treatment of drug addicts.

**Achievements in Alternative Development**

- Organised project inception workshop at the beginning of the project for the stakeholders and presented the project objectives, outputs, activities, budget, staffing for effective implementation of the project.
- A participatory rapid assessment has been conducted in the 20 villages to identify village priority needs, plans, etc.
- Setting up of village development committee’s (VDCs) in the 20 target villages that will support, facilitate, follow up and supervise the project activities in their village.
- Setting up of management committees for VSCF, rice banks, water supply and irrigation.
- Supported project grant fund for VSCF in the 14 villages.
- Conducted study visit and training to the different management committees for planning, recording and monitoring of their respective activities.
- Conducted skills training to the pig raising group (45 women and five men) as part of the livelihood for income generation objective.
- Conducted training on hygiene and sanitation for water user groups to the whole village and distributed a series of posters for better information.
- Construction of six water supply schemes in six villages which will help to reduce the load of women and girls and reduce water borne diseases and diarrhoea.
- Constructed three irrigation schemes in two villages which will help to irrigate and open up new paddy fields, benefiting 32 families.
- Constructed 87 sets of bio-sand water filters in the six villages to ensure clean water supply to the villages.
- Supported two village revolving drug funds in two villages which provide basic medicines to cure common illnesses.
- Supported 10 tons of rice to the rice bank of three villages which will help the families with insufficient rice supplies.
- Supported the 1,896 families of mosquito nets in 20 villages. This prevents mosquito bites and will reduce malaria cases.
- Supported the 54 families that were highly affected by floods, with clothing, basic kitchen utensils and agricultural tools to re-establish livelihoods.
- Supported the provincial and district programme on land allocation in the seven target villages benefiting 720 families.
- Completed the survey and designs for two access roads, three schools, two irrigations, three market shelters and one bridge to be constructed in 2009. These infrastructures will be of great help to the villagers to cut them from remoteness, improve literacy rate especially among the women, and marketing of their products that will contribute to the household income.
- Organised the project’s tri-partite review meeting to review the project’s success, and difficulties in implementation and collected suggestions for the improvement.

Skills in pig raising have helped raise incomes of many families.
Achievements of the Productivity and Marketing Center (PMC)

- Forty-four village productivity groups in 20 villages actively participated in skills training and community development workshops and are linked to the PMC.
- Twenty-nine participants from 12 local companies have participated in a traders' meeting and new enterprise creation workshop.
- PMC business plan have been established to ensure the sustainability of activities beyond the project life.
- Conducted workshops, and skills training for the VPGs; 558 members have been trained and have acquired new skills in agro-processing. Machines introduced during these workshops have been handed over to the villagers to enable them to continue production.
- Procurement of appropriate tools, equipment and machines for product processing. Training is conducted to ensure that the VPG members know how to utilise these tools.
- Raw materials were selected and production of by-products are on-going by the VPGs (sesame oil, galangal oil, posa, bamboo and banana paper, jungle-vine knitting and broom productions).
- These products were brought to the trade fairs in Vientiane, Luang Prabang and China. By processing the raw materials in their village, they have been able to increase their income; in one case (sesame seeds) the income tripled due to the processing activities.
- Establishment of PMC building as a market place to sell the locally produced products is underway. This will be a regional-based center for training in the value-chain approach and agro-processing as well as marketing of the locally produced products. Best practices related to harvesting and adding value will be taught, with a focus on continuous product design and quality improvement. The PMC will be established as a self-sustained, income generating entity under the PICD and will serve as a model for sustainable rural development beyond the scope of the project.
- Establishment of village nurseries for NTFPs that will ensure the sustainable supply of raw materials to the VPG’s.

RECOMMENDATION FOR FUTURE DEVELOPMENT AND IMPLEMENTATION OF ALTERNATIVE DEVELOPMENT AND ILLICIT CROP ELIMINATION PROGRAMMES

- For all the activities implemented, the focal point is always the village in order to ensure maximum and immediate impact at this level. Direct linking with private traders and other business people in Laos is anticipated to ensure that the products produced are marketable and will still be marketed long after the project is closed. This link will become the basis for successful rural development in the regional area targeted by the project.
- All infrastructure and technical training were subcontracted out to local counterparts, using locally available expertise. This allows greater ownership and sound responsibility of the local counterparts.
- Highest priority is given to building infrastructure such as water supply, irrigation, schools, access roads to markets and social services as well as providing livelihood skills and access to affordable micro-credit in the villages for processing initiatives.
- Implemented activities are linked to existing needs based on:
a) The effective demand and natural resources of the participating communities;
b) Development activities and processes that are in harmony with local customs and culture;
c) Human resources – both men and women including poorer households – are mobilized and strengthened;
d) The villagers – both men and women – have a feeling of ownership of the development initiatives and processes;
e) Communities are able to analyse their own situation in terms of problems, constraints, potentials, priorities and solutions;
f) The development process initiated by the project will be sustainable.

- The establishment and development of village producer and marketing groups would be an important tool for a self-reliant livelihood within the villages. Such groups would be able to introduce new crops, access new markets, negotiate better prices, enhance quality and undertake processing activities to increase their income. Village producer groups would be better suited to process raw materials into final products than individual villagers.
**Attachment 1:**

**Phase 1:** Drug rehabilitation and facilitation of economic development in the villages

<table>
<thead>
<tr>
<th>Output 1:</th>
<th>Opium addicts rehabilitated and involved in income generating activities (UNODC)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicators:</strong></td>
<td></td>
</tr>
<tr>
<td>Number of former opium addicts rehabilitated and involved in income generating activities; Number of opium addicts prevented from relapsing or taking other drugs (AD)</td>
<td></td>
</tr>
<tr>
<td><strong>Activities:</strong></td>
<td></td>
</tr>
<tr>
<td>Recruit National Project Coordinator and service staff and procure project vehicle</td>
<td></td>
</tr>
<tr>
<td>Recruit National program Officer UNODC/PFU</td>
<td></td>
</tr>
<tr>
<td>Establish project office in Oudomxay, recruit local staff and procure office equipment and vehicles</td>
<td></td>
</tr>
<tr>
<td>Awareness-raising campaign education life skills and drugs using appropriate mediums</td>
<td></td>
</tr>
<tr>
<td>To eliminate the need of remaining addicts for opium and the capacity building for district and communities to resolve their own drug related problems including prevention of new addiction</td>
<td></td>
</tr>
<tr>
<td>Provide community-based treatment and rehabilitation for all remaining addicts who may be tempted to break the law and re-cultivate opium to satisfy their addictions</td>
<td></td>
</tr>
<tr>
<td>Training for provincial and district staff on Community-Based Treatment &amp; Rehabilitation</td>
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<tr>
<td>Training on Drug counseling</td>
<td></td>
</tr>
<tr>
<td>Domestic exchange visits focusing on drug-related issues</td>
<td></td>
</tr>
<tr>
<td>Meetings and Participatory Monitoring &amp; Evaluation</td>
<td></td>
</tr>
</tbody>
</table>
## Output 2: Productivity and Marketing Center (PMC) operational focusing on agro-products with market potential

<table>
<thead>
<tr>
<th>Indicators:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$-market value of the 4 initial product lines; value added potential through processing by VPG and PMC; number of VPGs involved in income generating activities and experiencing a raise of family income at least balancing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Activities:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruit national staff for the PMC, setup/renovate office, and procure vehicles</td>
</tr>
<tr>
<td>Assess available raw materials incl. SWOT analysis of existing agro-based products</td>
</tr>
<tr>
<td>Analysis of various domestic market segments including tourism and domestic households with different income</td>
</tr>
<tr>
<td>Analyze potential of products for international markets in the neighboring countries</td>
</tr>
<tr>
<td>Determine a maximum of 4 initial product lines to be promoted</td>
</tr>
<tr>
<td>Selection of training/processing equipment for the PMC, assess potential of local manufacturing procurement</td>
</tr>
<tr>
<td>Stakeholder meetings to finalize legal arrangements for the PMC</td>
</tr>
<tr>
<td>Civil works to upgrade PMC facilities</td>
</tr>
<tr>
<td>Procurement and setup of initial equipment</td>
</tr>
<tr>
<td>Training of staff and trainers</td>
</tr>
<tr>
<td>Development of curriculum and graphic training manuals using locally adapted technologies and ethnic lan-</td>
</tr>
<tr>
<td>Develop income generation strategy for the sustainability of the PMC (incl. business plan, costing and accounting</td>
</tr>
<tr>
<td>Develop PMC to a market place for potential buyers/traders to discuss initial contracts and deliveries (quality,</td>
</tr>
<tr>
<td>PMC starts buying raw materials and semi-finished products from the VPG and the villages; further processing</td>
</tr>
<tr>
<td>Conduct stakeholder workshop with IFAD project to create synergy (offer PMC services to a larger beneficiary</td>
</tr>
<tr>
<td>Conduct joint phase I evaluation and detail/adjust phase II activities</td>
</tr>
</tbody>
</table>
### Output 3: Village Productivity Groups (VPG) strengthened (UNIDO)

**Indicators:**
- Number of VPGs formally established with business plan and selected product line

**Activities:**
- Conduct participatory workshops on the village level (1.4.01 and 1.4.08, jointly with UNODC) at the outset of the project
- Assess traditional skills, crafts, tools
- Analyze current trading structure for agro-commodities and products from the village level
- Training needs analysis considering gender and minority aspects (Entrepreneurial and technical)
- Conduct workshops to strengthen VPGs (formation, target setting, election of VPG leader)
- Conduct training seminars on basic agro-product value chain analysis and market oriented decision making
- Workshops to select/determine product lines for specific VPGs based on market demand

### Output 4: Communities organized to manage the economic and social development of their villages in

**Indicators:**
- Rapid Rural Appraisal conducted, number of UNODC interest groups formed; amount of micro credit provided;

**Activities:**
- Conduct a participatory rural appraisal on a village and household level including situation analysis, needs as-
- Formation of village development committees and activities group.
- Provide micro-credit for village groups.
- Support education through the improvement and construction of primary schools
- Provide clean water supply schemes in all target villages
- Construction of latrines
- Training for Water users committee & sanitation
- Awareness-raising on alternative income generating activities, through dialogue on the village level.
- Village development plans and land use planning.
- Training and capacity building of activity groups.
- Training on Monitoring and evaluation for provincial and district staff
### Phase 2: Community organization and provision of community-based training

#### Output 1: The coverage and operation of the social services in the district enhanced (UNODC)

<table>
<thead>
<tr>
<th>Indicators:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of persons trained in sanitation, primary health care, drug abuse treatment, prevention and rehabilitation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Activities:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support communities with hygiene training and sanitation</td>
</tr>
<tr>
<td>Support primary health care through provision of medicine kits and revolving drug fund for all target villages</td>
</tr>
<tr>
<td>Training of district and village health workers in drug abuse prevention, treatment &amp; rehabilitation.</td>
</tr>
<tr>
<td>Training of district and village educators in drug abuse prevention and rehabilitation.</td>
</tr>
<tr>
<td>Provide training for provincial/district and community and establish savings and credit schemes as appropriate,</td>
</tr>
<tr>
<td>Expansion and networking of best practices (yr 2 and 3)</td>
</tr>
</tbody>
</table>

#### Output 2: Basic infrastructure improved or constructed (UNODC)

<table>
<thead>
<tr>
<th>Indicators:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Length of access roads constructed; number of market shelters and storage units;</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Activities:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2.01 Construction of village paths and access roads by the target community (cooperation with WFP-Food for Work programme)</td>
</tr>
<tr>
<td>2.2.02 Support existing market and trading points, through the construction of market shelters, storage units,</td>
</tr>
</tbody>
</table>
### Phase 3: Marketing and sustainability of services

<table>
<thead>
<tr>
<th>Output 3:</th>
<th>VPG’s trained and involved in income generating activities linked to PMC (UNIDO)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicators:</strong></td>
<td>Number of families/individuals within VPG (a) trained and advised through VPG leaders and/or PMC, (b) enabled to access micro-credit based on business plan and (c) established micro-enterprise with income</td>
</tr>
<tr>
<td><strong>Activities:</strong></td>
<td>Training of VPG leaders in the PMC to become technology and entrepreneurial multipliers (trainers)</td>
</tr>
<tr>
<td></td>
<td>Village-based training on basic primary processing technologies (selection of raw materials, sustainable harvest,</td>
</tr>
<tr>
<td></td>
<td>Conduct product-oriented skills training courses for VPG members in the PMC</td>
</tr>
<tr>
<td></td>
<td>Consult individual VPGs on creating simple business plan to access micro-credits (1.4.03)</td>
</tr>
<tr>
<td></td>
<td>Provide consultation to VPGs and individuals on micro enterprise startup/registration</td>
</tr>
<tr>
<td></td>
<td>Support VPGs to procure equipment/tools, and with management/technical advice during initial production phases</td>
</tr>
<tr>
<td></td>
<td>Establish retail/trade showroom and outlet in PMC premises</td>
</tr>
<tr>
<td></td>
<td>Village-based workshops on propagation of NTFPs (sustainable raw material supply)</td>
</tr>
<tr>
<td></td>
<td>Based on land use plans (1.4.09), create seedling nurseries for promising commodities</td>
</tr>
<tr>
<td></td>
<td>Based on dialogue with local traders/entrepreneurs, add additional product lines. Select, procure and install equipment, train PMC staff and provide trainings for VPGs</td>
</tr>
<tr>
<td></td>
<td>Conduct phase II evaluation and detail/adjust phase III activities (jointly with UNODC)</td>
</tr>
</tbody>
</table>

### Output 1: VPG/PMC products improved according to market demand (UNIDO)

| **Indicators:** | Number of additional/diversified product lines reaching markets and respective value added |
| **Activities:** | Re-assess VPG/PMC product lines with a gap analysis to determine needs for improvements (quality, aesthetical |
| | Conduct cross visits of PMC staff and VPG leaders to advanced enterprises and institutions (national) to develop |
| | Conduct quality management seminars for the PMC staff and VPG leaders |
| | Conduct PMC and village-based product design and development courses to improve and further diversify prod- |
### Output 2: Income generation activities of VPG/PMC sustained (UNIDO)

<table>
<thead>
<tr>
<th>Indicators:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainability of PMC and VPGs through profits generated by processing and marketing; number and monetary value of business contracts with tourist sector</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Activities:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Re-assess of the PMC business plan, stakeholder workshop to plan long-term strategy for the PMC</td>
</tr>
<tr>
<td>Conduct VPG workshops to continuously update business plans ensuring longer-term economic feasibility</td>
</tr>
<tr>
<td>Improve links and contracts with outlets/hotels/guest houses in Vientiane and Luang Prabang for handicraft,</td>
</tr>
<tr>
<td>Conduct stakeholder cross border visits to Southern China, Thailand and Vietnam to improve direct marketing</td>
</tr>
<tr>
<td>PMC and VPG participate in local and national product exhibitions and fairs</td>
</tr>
<tr>
<td>Conduct final evaluation (jointly with UNODC)</td>
</tr>
</tbody>
</table>

### Output 3: Basic infrastructure improved or constructed (UNODC)

<table>
<thead>
<tr>
<th>Indicators:</th>
</tr>
</thead>
<tbody>
<tr>
<td>à See Phase 2: Output 2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Activities:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continue construction of paths and access roads (cooperation with WFP-Food for Work programme)</td>
</tr>
<tr>
<td>Continue supporting education through the improvement and construction of primary schools</td>
</tr>
<tr>
<td>Continue providing clean water supply schemes in all target villages</td>
</tr>
<tr>
<td>Continue construction of latrine</td>
</tr>
<tr>
<td>Continue training on water users committee, hygiene and sanitation</td>
</tr>
</tbody>
</table>
Phongsaly Alternative Development Fund (PADF), Phongsaly Province, Lao PDR

Prepared by Mr Somchit Phonepaseuth, National Project Director; Miss Sotsy Vongsida, Community Development and Micro Credit Officer; and Mr. Alfredo Oguis, Technical Advisor.

OVERVIEW

Phongsaly Province, which has a population of 167,181, comprising over 30 minority ethnic groups distributed across an estimated 29,554 households in 607 villages, needs support to tackle two issues:

(1) treatment, rehabilitation and reintegration of the remaining opium addicts into the community; and
(2) development of alternative livelihoods for former opium growing communities.

Opium cultivation was practiced extensively in the late 1990s in Phongsaly. In 1998, out of 611 villages, 513 grew opium, representing 83 percent of the total villages in the province. As a result of the drastic decrease in opium production over the past few years, there were only 43 villages still cultivating opium poppies in 2005.

Phongsaly is considered to be one of the poorest provinces in the Lao PDR, with the highest number of poor villages identified by the Government’s National Growth and Poverty Eradication Strategy (NGPES). Being the most physically and economically isolated province in the country, 410 of the 607 villages can not be accessed by road (National Statistics Centre, 2005). Phongsaly, which once was the largest opium poppy producer in the country, continues to have a GDP of US$ 283 per capita (2006) compared to the national average of US$ 485. Provincial production is based mainly on agriculture and livestock.

Many rural households therefore lack the ability and/or opportunity to access agricultural extension services, inputs and markets, and lack the means to commercialize their agricultural production and generate alternatives to subsistence lifestyles. Change in the economic profile of such communities requires investment in basic infrastructure and the provision of access to credit and opportunities to improve life skills, which can aid in the empowerment of rural households to manage their transformation from poverty in sustainable ways.

ALTERNATIVE DEVELOPMENT STRATEGIES AND PRACTICES

This project is aligned with the objectives and results listed under Theme 3 of the United Nations Office on Drugs and Crime (UNODC) Strategy for 2008-2011 on ‘Prevention, treatment and reintegration, and alternative development’. The activities initiated in Phongsaly are specifically designed to contribute to the reduction of drug abuse, elimination of illicit opium poppy cultivation and the promotion of integrated alternative development strategies,
which would serve to eradicate poverty through sustainable livelihoods initiatives within affected communities. In this connection, the three main objectives of this theme are:

- the reduction of opportunities and incentives for illicit activities and gains, and the reduction of drug abuse;
- effective prevention campaigns, care and reintegration into society of drug users; and
- fostering and strengthening international cooperation based on shared responsibility that would lead to the promotion of preventive alternative development in concert with the government.

Under the above-mentioned theme, the result area and their respective sub-sets are incorporated into the activities being carried out under this project as shown below:

With funding support from the Government of Germany, the project is intended to address the national plan and priority of the Government of the Lao PDR on rural development in the mountainous regions of northern Laos and sustainable economic development.

**THE PROJECT**

The project utilises a community-centred, participatory approach that will ensure the direct involvement of beneficiaries in the districts of Mai, Khoua and Samphan in their own development. The cooperation and involvement of local government authorities are integral to UNODC’s partnership approach.

The community-centred development process will enhance good governance practices at the village level. The activities to be carried out on the project will provide ethnic minorities living in isolated areas with a sustainable human development process that is expected to contribute to a reduction in poverty and help the country progress toward the achievement of the Millennium Development Goals (MDGs).

The project aims to strengthen the ability of district offices to provide required and economic services to the targeted communities and to demonstrate impact through selected model families or model farmers during the project’s life.

Successful best practices identified would be replicated in other households in the targeted communities through the systematic use of the Success Case Replication Method, where farmers would train other farmers in successful activities (i.e. production and processing of cash crops, livestock, or non-timber forest products – NTFPs).
The project is drawing on successful applications of micro-credit schemes implemented by UNODC in other projects as well as utilizing successful models and schemes from other international developing partners that implemented related projects in other parts of the country.

The project’s strategy is to link micro-credit, production, processing and marketing more effectively by strengthening the existing capacities of institutions and communities to deliver the required services and improve access. Furthermore, the project will target its activities to address both drug control and MDGs indicators and will achieve its goal through the establishment of drug free and MDGs villages.

This project is contributing to the 1,100 villages action plan and the national program strategy for the post-opium scenario adopted by the Lao Government in 2006, and contributes directly to the Government National Growth and Poverty Eradication Strategy (NGPES) and the NSEDP for 2006-2010 (National Socio-Economic Development Plan)

**PROJECT ELEMENTS**

**Target Groups**

The project is focusing its activities in 30 villages (15 in Khoua and 15 in Mai) of Khoua and Mai districts for its alternative development (AD) activities and in 196 villages (60 in Samphan, 47 in Khoua, 89 in Mai) districts for its drug demand reduction (DDR) activities.

The beneficiaries of this project included some of the most vulnerable communities in the province, especially the ethnic population. The total population who will benefit from this project is 8,186, the total number of households is 1,185 and the total number of known opium addicts is 1,745 in 196 villages – 60 in Samphan, 47 in Khoua, 89 in Mai (Drug Demand Reduction Survey, August 2008). The main ethnic group is Kor (50 percent), followed by Khmu (26 percent), Thaidam (nine percent), Lao Loum-Laokang (six percent), Laoseng (six percent), and Thai Deng (three percent).

**Objectives, outputs, outcomes and indicators**

The immediate objective is to assist the Government of Lao PDR to extend sustainability of opium elimination and poverty reduction to approximately 8,413 persons (1,240 households) in 30 villages in the districts of Khoua and Mai in Phongsaly Province by providing community-based participatory alternative development activities, formation of livelihood activity groups, and the creation of an alternative development savings and credit fund. The activities to be implemented include reinforcing essential drug control activities in 196 villages (60 in Samphan, 47 in Khoua, 89 in Mai districts); treatment and rehabilitation of 1,745 opium drug addicts (837 in Samphan, 259 in Khoua, 649 in Mai districts); drug prevention campaigns, law enforcement and civic awareness program to the project communities. Training and study visits will be provided for strengthening the capacity of villages to implement projects and capacity for government staff to provide support services delivery for the improvement of the social and economic livelihoods of former opium poppy farmers.

Outcome 1: Provincial, district and village development committees (VDCs) become stakeholders in the planning, organisation and implementation of the project.

Output 1: Project Management and Com-
Outcome 2: Government staff delivering reliable community services (health, water, access tracks, micro-credit, etc) to support the village development plans (VDPs) alternative development initiatives in 30 villages in Khoua and Mai, and to support Drug Demand Reduction (DDR) activities in 196 villages (Samphan 60, Khoua 47, Mai 89).

Output 2: Capacity of local Counterparts and Communities Strengthened
Indicators: Number of VDCs strengthened in development planning, number of VDPs formulated, number and types of training carried out.

Outcome 3: 1,745 opium addicts successfully treated, rehabilitated and reintegrated into the economic and social activities of the communities.
Output 3: Drug Control Programme in the Communities Developed and Improved
Indicators: 1,745 opium addicts are treated and reintegrated to society with minimal relapse rate; decrease in the number of ATS users in targeted communities; number of village drug control plans set up in the villages.

Outcome 4: Expansion of economic activities to increase intra-village trade, sole trader start-ups, increase in average households income in the target villages,
Output 4: Socio-economic Development Improvement and Alternative Development Fund established and Operating.
Indicators: At least 130 livelihood activity groups (LAGs) for income generating activities and 30 savings and credit groups or AD village banks established, following the Micro Finance Platform Laos guidelines, 50 percent increase in income in the targeted villages, number of households lifted out of poverty; reduction in childhood mortalities; improvement to maternal health, number of children with access to primary education, reduction in HIV, malaria and communicable diseases; number of improved environmental practices.

Outcome 5: VDCs involved in the provision, maintenance and expansion of basic village infrastructure, such as water supply, latrine, access tracks, schools and irrigation schemes.
Output 5: Community Infrastructure Improved
Indicators: At least 23 water supply and latrine constructed, 13 access tracks constructed, 7 irrigation schemes constructed, 23 schools constructed (depends on availability of funds); number of households and families that benefit from clean water supplies, access tracks, schools, and irrigated fields.

PROJECT MANAGEMENT

Project Execution

The projects execution components will make use of the existing institutional and legal frameworks aimed at reintegrating opium abusers into their own communities and providing alternative livelihoods for them to guarantee permanent opium free province.

The Lao National Commission for Drug Control and Supervision (LCDC) is the main national counterpart at the central level. UNODC is responsible for project execution and for providing overall local administrative management of the project.
The project is building a small project office in Khoua District. The office will serve as a centre for the implementation of the activities, data compilation and information, training and meetings/workshops. A dual-purpose design of the building will enable it to be used initially as a project office and later as a community development centre, or school, for the use by the beneficiaries. On completion of the project, the office will be handed over to the district authorities in accordance with the conditions governing the transfer of assets. In the meantime, a temporary office was set up in Khoua on a rented building while awaiting completion of the PADF Coordination office. Also, a sub-office was set up in Mai to facilitate coordination, and support services delivery to target communities.

The project recruited one United Nations (UN) technical advisor, two community development and micro-credit officers, one administration/finance assistant, one secretary, three drivers and one office cleaner. The project staff is facilitating and supporting the government to implement, supervise, monitor and follow up all activities in the project target area. The project staff will also prepare all required progress reports with the local counterparts. The national project director and UN technical advisor are responsible for the overall supervision, implementation and monitoring of the project activities. Monitoring, supervision and backstopping is being provided by the UNODC Country Office and headquarters. The UNODC Country Office in Vientiane, and the UNDP office, will be responsible for ensuring that proper administration, procurement and finance procedures are followed.

Local Counterparts

The project is working directly with the Provincial and District Government in Phongsaly. The Committee for Drug Control (PCDC) is the main national counterpart agency at the provincial level and responsible for coordinating required line agency cooperation and support in all related activities. The Government provided the project with a national project director, other technical support staff as required as well as premises free of charge. At the district level, the District Committee for Drug Control and Supervision will be the main counterpart led by the Vice Governor. A project team consisting of district officers from the agriculture, health education, road/construction, youth department, Lao Womens Union (LWU), Finance and Governor’s Office will be responsible for implementing, coordinating, monitoring, and supporting the project activities.

INNOVATIVE ASPECTS OF THE PROJECT

Project Execution through Existing Government Structures

Project execution is through the existing structures of the provincial (PCDC), district (DCDC and district offices), and village (VDC and committees) governments. Through facilitation and coordination project executes through the existing structures to be able to do each mandated task through the assistance of the project (funds, technical assistance). Thus, existing structures are strengthened through the acquisition of knowledge and skills during implementation.

Community-Centred, Participatory Approach

Communities participate in identifying their resources, gaps and problems being
experienced, and suggest solutions. Furthermore, communities are the ones who prioritise which problems they wish to solve. After choosing, communities are involved in gathering data (survey) to be used in the design of projects.

**Community-Based Infrastructure Construction (CBIC)**

The direct involvement of the beneficiaries in building village infrastructures comes in three ways:

- providing unpaid counterpart labour and locally available materials e.g. constructing of water supply and latrine.
- providing paid counterpart labour to contractors of the project e.g. construction of a school building.
- being a ‘contractor’ in the implementation of a village infrastructure e.g. access track.

CBIC enhances community ownership (‘we built it!’) of the project and provides employment and income to communities.

**Community-Based Resource Management**

**Land Use Plan and Land Allocation**

In 2009, a land use plan and land allocation will be worked out with the target villages. Training will be provided to both district counterparts and communities in preparation for formulating a land use plan and land allocation which is essential to ensure the sustainable management of the natural resources of the villages.

The plan is the first step for the communities (the *de facto* resource managers) to be able to manage their resources. As an overall plan, it will be further detailed in the sub-plans of the various components e.g. agriculture, protected forests, production forest, grazing land, etc.

Land allocation will provide security of tenure to families/individuals. Thus it will encourage further investment in the land in terms of using appropriate technologies to increase productivity and sustainability.

**Savings and Credit Groups**

By encouraging savings, communities gain access to credit. Through the Savings and Credit Management Committee, a ‘mini-bank’ can be operated in the village (a safety deposit box was provided by the project) since they can deposit money through their savings account and withdraw money (through loans) when they need it to finance income generating activities. Micro-Credit will be linked to production, processing and marketing. At the end of project, project funds will be turned over to the village (to be part of the village development fund) and together with the savings of the community could form part of their “mini village bank”.

**Revolving Drug Fund**

Village Health Volunteers (VHVs) are trained in primary health care, management of a medicine cabinet and a revolving drug fund (RDF). Seed money (initial 1 million Lao Kip) per village is provided. Medicine is sourced from district health offices and sold with a little mark-up to add to the funds and provide a little incentive to VHVs. Once operational, medicine for common illnesses is provided directly in the village in a sustainable manner.
Village Handbook

Information and knowledge is a basic ingredient for community development. Project and government staff always go to the villages to get information and most of this information remains with the projects and government offices. What is seen in villages are the old, disorganized notebook/record book of the village chief, secretary and treasurer containing bits and pieces of information.

To overcome this problem, a simple village handbook has been designed for the use of the VDCs. It contains their RRA, VDCs, VDPs, committees, projects, basic recording forms, a log book for visitors, and notes for writing letters, etc. The village handbook is in English and Lao languages. The village handbook is an attempt to put village information and knowledge in the hands of the communities. By doing so, it will increase their awareness and consciousness.

NETWORKING AND LINKAGE

Informal meetings with representatives of World Food Programme (WFP), German Agro Action (GAA), Christian Reformed World Relief Committee (CRWRC), CARE and Danish Red Cross were conducted in 2008 to share information and experiences. The project also closely coordinated with a sister PSP project in Oudomxay Province in sharing resources and experiences in the implementation of various project activities e.g. micro-credit, processing, Mini-Dublin visit and the Thailand Royal Project Visit on April 28, 2008.

ACHIEVEMENTS

From January to December 2008, PADF accomplished the following:

The PADF Project was signed by the Government of Lao PDR and UNODC on January 9, 2008. A temporary project office was set up in a rented building while awaiting the construction of the PADF coordination office (construction began in September 2008 and is projected to be finished in March 2009). As of December 2008, PADF has a total of 21 staff (one national project director, 11 district counterparts, nine PADF staff). Basic equipment and office supplies and materials were procured for the use of the project. With the temporary office, staff complementation and procurement of basic equipment and supplies, project field operation began in March 2008.

A Rapid Rural Appraisal (RRA) and baseline survey was conducted in 30 target villages in Khoua and Mai districts wherein needs of villages were determined (See Appendix Table 1: Identified Needs per RRA and DDR Surveys). First priority projects were identified (12 water supply and latrine projects, eight access tracks, two schools, and 10 savings and credit groups) for immediate implementation in 2008.

DDR surveys were completed in 279 villages (65 in Samphan, 100 in Khoua, 114 in Mai districts) and the data and information gathered will become the basis of formulating a comprehensive drug abuse treatment program for the respective districts...
The PADF staff together with the district counterpart staff implemented the following socio-economic activities:

**Water Supply and Latrine**: Survey and design were completed for nine water supply and latrine projects in nine villages (one village will have a water supply reservoir/tank only). Funding became available in October 2008, procurement of supplies and materials in November 2008, and implementation began in December 2008 (ongoing). These nine water supply and latrine projects will benefit a total of 361 households or a total of 2,513 people, of which 1,178 are women. Details in Appendix, Table 3 and 4.

**Access Tracks**: Survey and design were completed for eight access tracks for eight villages totaling 65.95 kilometers. Funding became available in October and procurement and delivery of tools to the eight villages were completed in November 2008. Implementation began as soon as villages received the tools. This community’s labor-based access track construction will benefit 359 households (30 percent of the total target households or 2,212 of the total population of which 1,112 are women). Details in Appendix, Table 5 and 6.

**School**: Survey and design were completed for two schools in two villages. This will benefit 114 students of which 69 are girls in a community of 153 households or a total population of 905, of which 342 are women.

**Micro-Credit**: Fifteen village saving and credit groups were formed in 15 villages with a total of membership of 544 families/couple or a total population of 4,358 of which 2,001 are women. Seventy Livelihood Activity Groups were organized in the 15 villages with a combined membership of 544 families/couples. Income generating projects were identified including the required financing to implement them. LAK 450,392,000 were approved for the loan to the Livelihood Activity Groups to finance their respective livelihood activities. Thus, 54 percent of the target micro-credit villages were provided with access to micro-credit in 2008. The remaining 13 villages (46 percent) will be covered on the first quarter of 2009. Details are in Appendix, Table 7, 8 and 9.

**Revolving Drug Fund**: Twenty-eight village health volunteers (VHVs) (Khoua district) were mobilized and trained for a week on primary health care, management of medicine cabinet and revolving drug fund in the 15 target villages. LAK 1 million per village (LAK 15 million for the 15 target villages in Khoua District) was provided as seed money for the revolving drug fund (RDF). The scheme will make medicine for total target populations). During the construction LAK 882,750,000 will be paid to the members of the communities, thus increasing their income. Projected average income per household is LAK 2,633,130 (Khoua) and LAK 2,079,646 (Mai). Added to this is the sense of ownership of building their own access tracks; this will ensure track maintenance and thus sustainability. Details are in the Appendix, Table 2.

Community participation in activities such as infrastructure construction increases community ownership and generates income.
common illnesses available in the village in a sustainable manner. The RDF will provide benefit to 641 (54 percent of total target households) households or 4,556 persons (55 percent of total target populations) in the target communities. DHO of Khoua District is supervising and monitoring the implementation of the program.

An inception workshop was conducted in August 6, 2008 with 42 participants from UNODC, PFU, MPI, provincial and district authorities and its line agencies, international organizations and PADF staff. Regular monthly coordination meetings with district counterparts (including the chairman of DCDC) were conducted to monitor progress of implementation and solve problems encountered. Two consultation/workshops with PFU/UNODC/LCDC were conducted in Vientiane on project management, drug demand reduction and monitoring. Informal meetings with representatives from WFP, GAA, CRWRC, CARE, Danish Red Cross were conducted in 2008 to share information and experiences. A close working relationship was maintained with the PSP project in Oudomxay particularly in sharing experiences and resources.

RECOMMENDATIONS

Implement Projects through Existing Structures

Projects are temporary structures, thus positive impacts are better achieved when implementation of activities are through existing structures. Though projects are short lived (three to five years), strengthening counterpart structures will go a long way in improving support services delivery of government to the communities.

Community-Centred Participatory Approach

People come first in development. The community-centred participatory approach ensures that the community’s voice is heard, and their aspirations are articulated. Furthermore, community members participate in the planning, implementation and monitoring of the projects. The feeling of pride and ownership (‘we built it’) is necessary if villagers are expected to operate and maintain the facilities built.

Community-Based Infrastructure Construction (CBIC)

If building infrastructures could prop up the economy of a nation, CBIC could enhance village economy. A direct infusion of income in the community through CBIC will go a long way, not only in being able to meet immediate consumptive needs e.g. food, but part of it will be invested in productive activities e.g. land development, purchase of tools and equipment, planting materials. In a situation where it is technically not feasible to use human labor to do a certain task, equipment-supported CBIC (rent/hire equipment for the special task) will be a lot better than work contracted to outside companies.

Community-based Resource Management

While government makes policies, plans and programmes on the resources of a nation, the day to day management of the resources in the villages are decided by the communities. Thus, the farmers are the de facto resource managers of these natural resources. Building community capacities to use appropriate technologies will enhance increasing productivity and ensure sustainability of the natural resources.
Networking and Linkages

Networking and linkages (intra- and inter-villages) within a cluster of villages and between other clusters of villages is necessary for the exchange of information and knowledge, enabling them to contribute to better production and processing methods. A link with the market within the district/province and outside of the district/province is necessary to stimulate growth and development.

Institution Building and Human Resources Development

Project building coordination offices which are later turned over to the government after the project (lock, stock and barrel) provide government upgraded facilities to government counterpart offices, thus enhancing support services delivery. Training, workshops and study visits further develop the human resources of government. These intangible outputs of projects are long lasting.
OVERVIEW

The Lao PDR was once the world’s third largest producer of illicit opium and had one of the highest opium addiction rates in the world. In 1998, Houaphan Province had about 3,500 ha of opium poppy cultivation, accounting for 13 percent of the nation’s total production, with an addiction rate of 2.9 percent. The target area comprises above-average drug production and severe addiction conditions. With a population of 267,000 people, Houaphan is one of the most isolated, remote and poor provinces in the country where high amounts of opium poppy cultivation continue.

The province still needs to treat 1,800 opium addicts, and to counsel and follow up with 2,800 ex-addicts. In addition, since the early 2000s the province has become a major transit route for amphetamine-type stimulants (ATS) and heroin moving from Myanmar to Vietnam.

During the first session of the National Assembly of the Lao Government in 1996, Article 135 of the Criminal Code on Drug Trafficking or Possession was amended, making opium production and possession illegal for the first time. Production of opium is now specifically prohibited. The law, which entered into force in June 1996, provided the legal framework to implement opium elimination in Laos. In 1990, the Lao Government set up the Lao National Commission for Drug Control and Supervision (LCDC) to act as a policy body responsible for all drug control related activities.

Houaphan Province established the Provincial Committee for Drug Control (PCDC) in 2001. However, the province lacks the resources and capacity to deal effectively with the various issues under its jurisdiction.

In 1994, the Government approved the national drug control programme that aims to gradually eliminate opium production with a main focus on alternative development. In 2000, the Government approved the National Programme Strategy, ‘the balanced approach to opium elimination in the Lao PDR’. The Seventh Party Congress of 2001 set 2006 as the target to achieve opium elimination in the Lao PDR. Various government decrees reinforced the political commitment of the Government to implement the national programme strategy. In February 2006, the Government declared that it had succeeded in significantly eliminating opium poppy growing in the country. The same year, a national programme...
strategy to sustain the elimination of opium in the post-opium scenario and its action plan targeting 1,000 priority villages was approved. In October 2006, the Prime Minister of the Lao PDR set out ten priority measures to be taken to address drug related problems in the country, including providing priority alternative development assistance to the 1,000 villages. Complementary to the national drug control policies, the Lao Government’s target is to eliminate mass poverty and leave behind its Least Developed Country (LDC) status by the year 2020.

REVIEW OF ALTERNATIVE DEVELOPMENT STRATEGIES AND APPROACHES

The causes of the poverty and opium production

The causes of the poverty and opium production were analysed to find the solutions and the entrance points for alternative development. The main causes of the opium production are:

- poverty;
- poor healthcare;
- poor education;
- poor access;
- weak law enforcement; and
- limited market outlets for farm products

Houaphanh Province is one of the poorest provinces of Laos. The seven districts of the total eight districts of the province fall under the poorest 72 districts of Laos. According to the socio-economic data collected in 2007, the poor households in the project area make up 69 percent of the total. There are no household with rice surplus. Fifty-one percent of the population suffers a shortage of rice.

There are only two medical dispensaries in the project area of 27 villages. They are poorly equipped and staffed with insufficient supplies of medicines and other facilities to serve the population. Health problems are the major cause of opium addiction as opium has been used for broad spectrum medicine among the villagers for centuries.

Infant mortality under one years of age is 37 (of 1,000) and for under five years is 18. The maternal mortality rate is 420 (of 100,000). Malaria, tuberculosis and diarrhoea are all reported. Only eight villages of the 27 target villages have some level of clean water supply system which is often limited to supplying the drinking needs of the village population and in many cases there is a need to increase the capacity of the water supply.

Low education levels, particularly amongst ethnic groups and females, reduces comprehension of written materials relating to drug enforcement and alternative development.
The illiteracy rate is 47 percent (14 – 24 years old), with 62 percent among women. Forty-nine percent of the village children are not enrolled in the school system. The poor education levels, mainly among the ethnic groups (Lao Theung and Lao Soung), pose an obstacle to the villagers’ understanding of the livelihood development education materials and law enforcement materials.

Eight villages have no vehicular access in the dry season. In the rainy season only six villages have vehicular access, while 21 villages have no vehicular access. Poor transportation means villagers have no access to the market for their farm and forest products which they have in high volume. It results in the farmers producing opium which is small in volume but has no transportation constraints vis a vis the market.

Poor access limits the visits of government staff and authorities to the remote villages which is important for law enforcement. It also limits the villagers’ access to public services such as health, education and markets.

Only one market is in the project area. The project villages in Samneua District have no village market, the only market the villagers visit is Samneua Market. The project villages in Samtai District have only one market, in Mouang Kuan Village, with limited capacity to purchase the local products.

The solutions

The causes of poverty and opium production are interrelated to each other. The solutions should be integrated, with multipurpose activities. The Alternative Livelihood for the Upland Ethnic Groups of Houaphanh Province project (ALEP) is designed to address village capacity development, alternative development and infrastructure development. Village capacity development, health and opium demand reduction activities are joint efforts with the ADB-UNODC project.

The project is seeking the assistance of the other projects in the areas for education and market infrastructure support as the project has no direct investment in the said areas. The associated projects include the Poverty Reduction Fund Project and other development projects supported by Vietnam and NGOs.

ALEP is working to establish village development committees in 27 target villages which are producing five year village development plans for all target villages with clear achievement targets and implementation plans. Land use planning and land allocation is conducted to ease village border and land use conflicts, to protect the forest and to direct proper land use and natural resource conservation.

Rice yield improvement activities are conducted with the introduction of improved rice varieties, improved rice seed multiplication and the introduction of improved rice production technologies. Animal health security to reduce the animal mortality rate is sought through a secure cold chain system of vaccine supplies, the supply of reliable vaccines and veterinary equipment, training village veterinary workers and regular monitoring of animal diseases. Animal feed improvement through pasture establishment and conservation agriculture techniques (zero tillage biomass improvement technologies) is another goal of the project.

Non-timber forest products (NTFPs) have been greatly reduced in the past due to population growth, the expansion of shift-
ing rice cultivation and overharvesting to meet ever increasing cash demands. The project is identifying NTFPs with potential for domestication and extension in the project areas.

To assist production activities, the project is supporting the renovation of the 25 km long district road (Samtai-Mouangkwan), which will be newly built. Sixty km of existing village access roads will be improved. Construction of 20 water supply schemes, 1,000 village family latrines, and the construction and improvement of 10 small-scale irrigation schemes are also being implemented.

Problems and constraints of the project activity implementation

The main constraints are the human resources of the provincial and district governments for the successful implementation of the scheduled activities. The provincial government and the district offices have limited qualified staff to be able to implement the project activities efficiently. The district staff are also assigned to work for several projects and agencies active in the province which results in only a little time being available for the project activities. It is difficult to get staff allocated permanently to the implementation of this project’s activities alone.

The strategies

The strategy is an integrated approach with the participation of the local authorities and the beneficiaries.

As stated above, the project is addressing community development, agriculture and livestock production activities, infrastructure development activities and drug demand reduction activities through close collaboration with the ADB-UNODC project and other projects and agencies active in the project areas.

The development activities are founded on the village-based development system by forming village development committees and developing village development plans through the facilitation of the project and the full participation of the beneficiaries. The village development committee members, the village agents for agriculture and forestry and the veterinary and village health workers are elected by the villagers.

Agriculture extension is based on a farmer-based agriculture extension system. The agriculture problems are analysed, agriculture production plans are developed by full participation of the beneficiaries and based on indigenous knowledge and experiences.

The land use planning and land allocation programme is implemented to provide appropriate implementation of the agriculture and livestock production activities without having significant impacts on the environment and to minimise conflicts between the villages and the villagers on land and forest use.

The agriculture and livestock production activities are directly supported by the infrastructure activities. The opium demand reduction and detoxification programme is directly supported by the agriculture production activities and priority is given to former drug addicts for agriculture production technical training which helps reduce their relapse rate.
PROJECT OBJECTIVES, OUTPUTS, ACTIVITIES, AND IMPLEMENTATION ARRANGEMENTS

The project is estimated to cost US$ 2,148,480 equivalent for the three-year period (April 2008 – April 2011).

ADB will provide a grant of $1,820,000 from Japan Fund for Poverty Reduction resources to cover 85.4 percent of the total project cost. The Lao Government will provide US $173,480 through in-kind contribution, and beneficiaries will contribute US $150,000 in the form of labor and local materials.

The Project objectives

- Poverty reduction through enhanced incomes;
- Conservation of natural resources and consolidation of opium eradication through the introduction of sedentary farming systems and alternative sources of livelihood in lieu of shifting cultivation practices; and
- Pilot models for introducing alternative sources of livelihood that may be replicated on a larger scale.

End-of-project situation

The project target outcomes from the project interventions are:

- All 27 project target villages will be released from poverty by 2012;
- The shifting cultivation areas will be reduced by 20 percent;
- Land use planning and land allocation will be completed and land use and forest management regulation established in all 27 target villages;
- The family income from the alternative development activities will increase by 20 percent;
- The rice sufficiency status of the village families will increase by 20 percent;
- Animal mortality rates will be reduced to 50 percent for poultry and 75 percent for pigs;
- The animal population will increase by 50 percent for poultry, 30 percent for pigs and 20 percent for cattle;
- Thirty percent of VDCs’ membership will be women.

KEY INNOVATIVE ASPECTS

The project pays great attention to the traditional culture and clanship of the majority of the project beneficiaries (Lao Soung and Lao Theung). The formation of the village development committees is done after careful analysis of the community system and clanship. If the clanship has a strong village administrative system, the clanship leadership is consulted fully and approval is sought for the formation of the VDC.

Social values of the local population are respected. The possible impacts on the social values of the community by the project’s intervention are anticipated and measures to ease the negative impacts are taken, such as the increase of the visits of outsiders to the project areas, human and animal disease spreading, visits of the local traders, human trafficking, drug trafficking, etc. The village authorities and the village Lao Women’s Union leaders have such impacts carefully explained to them and are educated about the project and are asked to disseminate the information to the villagers, especially the village youths.

Traditional skills, production systems, local crop varieties and animal breeds and local products are all verified and analysed and incorporated as mush as possible into the development plans before the development plans are finalized.
Great attention is given to the continuation of the activities left over by other projects and agencies previously active in the areas such as sericulture, animal banks, fodder crop improvement, etc.

Domestication and extension of NTFPs is the prime activity of the project as they directly address natural resources protection and conservation and are easily accepted and understood by the local population with no market outlet problems.

Soil and water conservation measures are incorporated into all agriculture and livestock production activities such as cover crops, building up of the biomass, soil nutrition replenishment, crop rotation of the cereals and legumes, contour farming, etc.

PARTNERSHIP & COLLABORATION

The project has a parallel project, Alternative Development Project (ADP), run by UNODC. Village capacity development, village health, opium demand reduction and detoxification are mainly lead by ADB while the agriculture, livestock, land use planning and infrastructure activities are mainly lead by ALEP.

The project is directly linked to the provincial and district governments through the provincial project coordination committee which is chaired by the vice governor of the province and the district coordination committees which are chaired by the district vice governors. The project is under the direct execution of the Provincial Agriculture and Forestry Service Office (PAFO). The project director is the deputy director of PAFO.

Other projects and agencies collaborating and coordinating with the project are the World Bank-supported Poverty Reduction Project, the ADB-supported Livestock Development Project, the World Bank-supported Bamboo Project and the World Food Programme.

ACHIEVEMENTS

The project started physical operation only in September 2008 despite the project inauguration being signed in April 2008. The project activities are on-going. So far, the project has established the VDCs in 24 villages and has completed VDPs for 24 villages. Project staffing has been completed for the main office and the districts. The agriculture production strategy has been completed and dry season crop improvement has been started in Samneua District in two villages. Survey designs for the access roads, water supply schemes and the irrigation schemes have been completed and are now being implemented.

LESSONS LEARNED

The timing of the starting of the ADP-UNODC (H98) project was one year ahead of ALEP. Joint planning of the VDP has been weak. The project start up was late due to the delay in staffing and recruitment of technical assistants.

Collaboration between ALEP and ADP to achieve rehabilitation of former addicts by giving them priority on agricultural training and farming demonstration has been a good approach.

Village capacity development, review and revision of the village development plans, and project baseline information collection were assigned to the ADP-UNODC project. Due to limited staff, those activities have been delayed.
KEY CHALLENGES

Limited staff capacity as province and districts have limited staff numbers with limited qualifications and skills.

Major fund assistance required for the infrastructure development mainly the access roads (project support is only for the renovation and repair of the roads and opening up of the village access roads, with no pavement or guaranteed drainage structures due to the limited budget, hence the roads will not last long after serving two to three rainy seasons).

Limited budget and poor follow-up support including firm offers of livelihood alternatives and professional skills for the former addicts cause high relapse rate.

Difficulties of access to the project target villages. The project team has to wait until the completion of the access road construction to have regular access to most of the project target villages which limits the amount of time the project can provide support to those villages.

CONTRIBUTION TO THE SUSTAINABILITY OF OPIUM

The development of the 27 target villages will contribute directly to the 1,000 villages to be supported for their abandonment of opium growing. The more than 200 drug addicts remaining will have detoxification and follow up livelihood support and alternative development assistance.

RECOMMENDATIONS FOR FUTURE DEVELOPMENT AND IMPLEMENTATION OF ALTERNATIVE DEVELOPMENT AND ILLICIT CROP ELIMINATION PROGRAMME/PROJECTS

- Parallel projects should be started simultaneously.
- If possible the projects should be under one administration; presently two projects are located separately and supervised separately which may deter cooperation and collaboration.
- Rural infrastructure plays a key role in bringing development activities to the beneficiaries. More funds should be sought to guarantee access road quality and durability.
- The detoxification programme must be a complete programme including the full follow-up support after detoxification with medical support, livelihood support and alternative professional skill training. Relapse of the former drug addicts is a waste of resources.
- Integrated development assistance including land use planning and land allocation activities must be applied to other projects with similar conditions.
- Environmental management measures must be incorporated into all project development activities.
- Domestication and extension of NTFPs should be given attention as they are fully based on the indigenous knowledge and are location specific.
PART 4. MYANMAR
Myanmar’s Experiences of Sustainable Alternative Development and Opium Reduction

Presented by U Khin Kyue, Acting Director General of the Department of Progress of Border Areas and National Races

BACKGROUND

Myanmar is the largest country in mainland Southeast Asia with a total area of 261,228 square miles (676,577 sq km). It is well known for its prosperity, peace and stability. The country has existed for thousands of years parallel to the European nations. Previously an independent kingdom, following the three Anglo-Myanmar Wars the entire country fell under British colonial rule in the late 19th Century. Fearing the unity of the Myanmar people, especially those of the border areas, the colonialists intentionally dragged the ethnic people of the border areas deeper into poverty, forcing them to grow poppy for opium production and taking control of all aspects of the opium economy. As a consequence, development in the border regions lagged far behind that of the rest of the country.

Myanmar regained her independence in 1948 but due to the political situation of the various ethnic groups along the border areas different insurgent groups emerged. The country has waged a relentless war on illicit drugs. The darkest period in the country’s drug history resulted from the Nationalist Chinese (Kuomintang) troop invasion of the country in the early 1950s which saw the greatest expansion of the opium trade in the border region.

The successive governments of Myanmar in the post-independence era have endeavoured to eliminate narcotic drugs. They have at the same time attempted to achieve regional peace, stability and development. However, their efforts have failed due to continuing conflict with insurgents, many with foreign backing.

In 1988 when the present government took power, drug matters were made a priority with consistent policies being established to combat the menace. The Government is determined to eradicate poppy production and permanently restructure the economy of the country’s opium producing areas, and is therefore stepping up activities to achieve this ultimate objective.

Myanmar has fought an ongoing battle against opium.
GEOGRAPHICAL CONDITION AND SOCIO-ECONOMIC SITUATION

The geographical conditions and socio-economic situation in Myanmar are as follows:

**Geography**

The Union of Myanmar lies between 09°32' and 28°31' North Latitude and 92°10' and 101°11' Longitude East and has an area of 676,577 square kilometers. It has common borders with the People’s Republic of China, the Lao People’s Democratic Republic, the People’s Republic of Bangladesh, and the Republic of India and the Kingdom of Thailand. Roughly one third of Myanmar’s total perimeter, 2,229 km (1,385 miles), is coastline. The Tropic of Cancer lies near the town of Moegok in Mandalay. Myanmar’s climate ranges from tropical, to subtropical and temperate. Topographically, it has a delta area in the mouth of the Ayeyarwaddy, and coastal areas along the south coast, a dry zone in the middle, plain areas along the Ayeyarwaddy and the Chindwin basins, and hilly areas in the east and west of the country.

**Population**

There are 14 states and divisions in the Union of Myanmar which can be divided into 64 Districts, 324 townships, 13,762 village tracts and 65,210 villages. The Union of Myanmar is made up of over 100 ethnic groups. According to the statistics of 2006-2007, the population of the country is estimated at 56.5 million and the population growth rate is 2.02 percent. Seventy percent of the total population of the country lives in rural areas.

**Health and Education**

The health and education status of Myanmar is much higher than some other developing countries. There are 39,447 basic education schools, 824 hospitals, 367 dispensaries and 1,456 rural health centers. The average birth rate in rural areas is 30.1 and average death rate is 9.9 (2005—2006 fiscal year). Life expectancy is 61.8 for females and 59.7 for males. The child mortality rate in under one year olds is 45.1 per 1,000 live births; the maternal death rate is 1.8 percent. Child malnutrition rate under three years is 19.2 and universal child immunization is 85 percent. The ratio of people per doctor is 3,040:1 and ratio of people per nurse is 2,856:1. The ratio of people per hospital bed is 1,658:1. One rural health center is providing medical cover to an average of nine villages.

OVERVIEW OF THE ILLICIT DRUG SITUATION

UNODC estimated a total of 27,000 hectares of land in Myanmar to be under cultivation for opium poppy in 2007. This was a significant decline from the estimated 130,000 hectares in 1998. Poppy cultivation areas and clandestine heroin refineries are situated along the borders with China, Lao PDR and Thailand; the bulk of drugs produced are normally trafficked out directly across the borders to the international market. Myanmar is not an industrialized country and thus precursor chemicals such as acetic anhydride and ephedrine, which are essential in the production of heroin and methamphetamine respectively, are not manufactured in Myanmar. Experience indicates that precursor chemicals are mainly trafficked illegally across the borders from
neighboring countries into Myanmar. All major seizures have been made in the north east and eastern borders of Myanmar. However, there is a rising trend in trafficking of the chemicals into Myanmar across the border with India. Prior to 1998, no major seizures were made along the Indian border. However, from 1998 onwards, significant seizures of precursor chemicals and ephedrine were made annually on the border areas with India.

Myanmar works in conjunction with its neighbours to control drug trafficking into and out of the country. The bulk of drugs produced in Myanmar are trafficked to the international market.

Myanmar in conjunction with the United States of America conducted opium yield surveys in 1993, then annually from 1996 to 2004. The US-Myanmar joint opium yield surveys reported in 1996 an estimated 163,110 ha of land under cultivation and a production of 2560 metric tons. Within a short period of six years, cultivation dropped sharply to 77,700 ha with a potential production of 630 metric tons in 2002.

The opium yield survey in 2003 reported a total of 47,130 ha of opium cultivation and estimated a potential production of 484 tons, a decrease of 39 percent. The following year, the 2004 opium yield survey team found a 34 percent reduction from the previous year with only 30,888 ha, a reduction of 34 percent from the previous year, along with a potential production of 292 metric tons, a reduction of 39 percent from last year's season.

OVERVIEW OF OVERALL POLICIES AND MASTERPLAN ON DRUG CONTROL AND PREVENTION

Myanmar aims for total elimination of cultivation, production and abuse of narcotics across the entire country by the year 2014. The Government has laid down two strategies for the total elimination of narcotic drugs:

- to designate drug abuse control as a national duty and to perform this duty with added momentum; and
- to raise the standard of living of ethnic minorities in the border areas and to gradually wipe out the culture of poppy growing.

The 15-year Narcotic Elimination Master Plan was formulated to further these strategies. Implementation of the plan began in 1999-2000 and will finish in 2013-2014. It is being implemented in three phases: the First 5 year plan is from 1999-2000 to 2003-2004 and covers 22 townships; the Second Five-year Plan, which covers 20 townships, runs from 2004-2005 to 2008-2009; the Third Five-year Plan extends from 2009-2010 to 2013-2014 and covers nine townships.
NATIONAL POLICIES STRATEGIES AND APPROACHES FOR SUSTAINING ILLICIT CROP REDUCTION AND INTEGRATION OF AD IN BROADER DEVELOPMENT OBJECTIVES AND PROGRAMMES

Myanmar aims to achieve the total and sustainable elimination of narcotic drugs through alternative development. The Government adopts an integrated approach to include supply reduction, drug demand reduction and law enforcement. The Government is taking a three-pronged approach to achieving these goals. First, the rehabilitation of producers and abusers of narcotic drugs. Second, the improvement of access and communication between ethnic groups living in the highlands and communities living elsewhere. Third, the development of the socio-economic conditions of ethnic groups and border regions as well as the organization of development oriented rural enterprises. In Myanmar, the Government has been combating the elimination of narcotic drugs as a national concern and has launched alternative development programmes in the border areas 10 years in advance of National Drug Elimination Plan. Myanmar became a state party to the Single Convention on Narcotic Drugs 1961 as of 29th July 1963. In 1974, the Government enacted the Narcotic Dangerous Drugs Law to provide a broad legal framework for drug control and the Central Committee for Drug Abuse Control (CCDAC) was constituted in 1975 with the Minister for Home Affairs as Chairman to further strengthen the country’s drug control policies. At present, the Minister for the Progress of Border Areas and National Races and Development Affairs and the Minister for Foreign Affairs act as Vice Chairmen, and the Deputy Ministers from relevant line ministries comprise its members. The Director General of the Myanmar Police Force is the Secretary of the Committee.

SUMMARY OF NATIONAL PROGRAMME AND PROJECT ON CROP ERADICATION AND INTEGRATED AD

Following the conclusion of ceasefires with a number of ethnic armed groups, which opened up large areas of border region previously difficult for the authorities and development organisations to access, the Myanmar Government established the Central and Work Committees for the Development of Border Areas and National Races. To foster the development programme, the Government also established the Ministry for Progress of Border Areas and National Races and Development Affairs on 30th January, 1994. This Ministry is responsible not only for development matters but also implements the alternative development scheme through which poppy cultivation is eradicated. In the past, the strategy was to focus mainly on the destruction of poppy fields. However, in 1988 the Myanmar Government launched a new approach aimed at the social and economic development of ethnic groups in the border areas. The key concept behind the new approach is to alleviate poverty by providing alternative income to the local populace.

The Government has been implementing the Border Areas Development Programme since 1989 as part of its socio-economic infrastructure and human resources development priorities. As of 31st October 2008, the Government has spent over 240,142 million kyats on the programme, of which 85 percent (205,393 million kyats) has been spent on drug eradication project areas.

In recognition of the vital need to promote the socio-economic status of all individuals
and communities across the country, the Government has begun a programme of road and bridge construction as a matter of highest priority. Already 3,834 miles (6170 km) of earth road, 2,662 miles (4284 km) of gravel road have been built, including 88 big bridges, 1,116 small bridges and 54 suspension bridges. Other development projects such as the establishment of agricultural and livestock breeding farms for income generation, education, primary health care, the installation of TV relay stations, post and telegraph offices, and the construction of dams and reservoirs have been also been implemented to improve socio-economic conditions in the in the border areas.

Ethnic groups living in far-flung border areas are similarly committed to eradicating poppy and adopting substitute crops and livestock. Since 1989, ceasefires have been signed with 17 insurgent groups, resulting in the return of the groups to the legal fold and providing greater access to many areas previously under extensive poppy cultivation and/or suffering poor socio-economic conditions. In a dramatic shift from past practices, people in the mountainous areas are now growing perennial trees and other cash crops. Among them, Kokang are growing maize, sugar cane, beans and pulses, buckwheat, cashew nuts, cabbages, watermelon, high-yield rice varieties, potato, etc. In addition to agricultural crops, they are also practicing extensive poultry farming and pig breeding. Wa in Eastern Shan State are growing 500,000 rubber trees, longan, lichee, coffee, tea trees, sugar cane, corn, pulses and beans in their area. In Loi San Saw area which is close to the Thai border, 240,000 longan trees, 50,000 citrus oranges, 2,000 pamelo and thousands of coffee plants have already been planted. In collaboration with UNODC, Myanmar has been implementing an alternative development programme in Eastern Shan State concentrated primarily in the Southern Wa region. Prior to the project’s implementation, rice shortages four to six months every year had resulted in villagers in the selected project areas turning to opium poppy cultivation to earn a living. Drug dealers encouraged the farmers to cultivate the opium poppy, but despite this the poppy farmers did not benefit greatly from the business. When the Government and the Wa Authorities fostered a cease-fire in 1989, drug elimination measures were introduced which have been in place ever since.

The current project began in 1998 with the objective of supporting the commitment of the Wa Authorities and the Government to completely eradicate opium from the Wa Region by June 2005. The project has specific strategies to achieve this end that are intended to address the community’s needs. The fund provided by UNODC has been revised to US$ 11.6 million from the original US$ 15 million. The project emphasizes primary health care, school construction, food security, safe drinking water supply, livestock breeding, HIV/AIDS prevention and awareness building, detoxification of drug users, poppy crop monitoring and income generation activities.

The Ministry of Agriculture and Irrigation’s key implementation activities for achieving alternative development are the development of new agricultural land, the provision of sufficient irrigation water, the provision of and supporting for agricultural mechanisation, the application of modern agro-technologies, and the development and utilisation of modern crop varieties. Moreover, the Myanmar Government aims to fulfill the needs of its people through the cultivation of 10 designated main crops: paddy; maize; groundnut; sunflower; sesame; green pea; mung bean; pigeon pea; cotton and sugarcane. To date, the yield of
these crops has been 100 baskets/acre for rice, 80 baskets/acre for maize, 50 baskets/acre for groundnut, 50 baskets/acre for sunflower, 20 baskets/acre for sesame, 20 baskets/acre for green pea, 20 baskets/acre for mung pea, 25 baskets/acre for pigeon pea, 400 viss/acre for cotton and 30 ton/acre for sugarcane.

The project thus far has achieved the following results:

- Construction of project headquarter complex and accommodation for the staff;
- Safe drinking water for 28 villages of Mong Pauk and Mong Phyen;
- Construction of a middle school in Hota and four primary schools;
- Construction of 24.4 km long power line between Pan San and Mong Pauk for electrification;
- Distribution of 125 piglets to villagers;
- Electrification of Nam Lwe Catchments area by setting up of power line between Mong Phyen and Wanli villages;
- Construction of Panlin diversion weir in the Mongkar area;
- Construction of 5.8 km long canal in Mongkar assisted by the Japanese Human Security Fund;
- Construction of a 25-bed hospital in Mong Pauk, opened on 9th May 2002, under the Japanese Grassroots Grant Aid;
- Distribution of substitute crop seeds - rice, pulses, spilt pea, wheat, mustard, soybean, buckwheat, potato, cotton - to farmers.

INTERNATIONAL, REGIONAL AND BILATERAL COOPERATION ON ALTERNATIVE DEVELOPMENT AND ILICIT CROP ELIMINATION

Alternative development is very important for drug elimination. Myanmar is launch-
this cooperation programme, China provided 300,000 Yuan to implement the Opium Substitute Crops Programme from July 2002 to April 2003. The project provided agriculture training to farmers and over 10,000 kg of high-yield seeds.

b. The People’s Republic of China provided five million Yuan to implement the Opium Substitute Crops Programme in order to reduce illicit cultivation in the Kokang Special Region No. 1. The project provided agricultural inputs of high yield seeds of paddy, maize, seedlings of sugarcane and 90,000 tea seedlings, fertilizers, agriculture trainings and medicines to treat malaria.

c. The People’s Republic of China provided 10,000 metric tons of rice to the ex-poppy farmers who are residing at the Myanmar-China border areas such as Kokang Special Region No. 1, Wa Special Region No. 2, Mong Lar Special Region No. 4, Kachin Special Region No. 1 and Kachin Special Region No. 2 from September 2006 to April 2007.

d. The Action Plan of Crop Substitution and Alternative Development under the Framework of Cooperative Agreement on Ban of Illegal Transportation and Abuse of Narcotic Drugs and Psychotropic Substances between Governments of the People’s Republic of China and the Union of Myanmar was signed on 20th November 2007.

e. The People’s Republic of China provided 10,000 metric tons of rice to ex-poppy farmers who are residing at the Myanmar-China border areas such as Kokang Special Region No. 1, Wa Special Region No. 2, Mong Lar Special Region No. 4, Kachin Special Region No. 1, Kachin Special Region No. 2 and Muse Area from June to October 2008.

2. Thailand

a. The Yong Kha Village Alternative Development Project from 2002 to 2004 was implemented in cooperation with Thailand. Bilateral discussions are under way to formulate and implement a new alternative development project in the Southern Shan State.

b. Thailand donated 1,000 metric tons of rice through WFP in March 2005 under the WFP’s Emergency Operations Phase I.

3. Japan

a. The Japanese Government provided one billion Yen in 1995 under the Project for Increase of Food Production in Border Areas (KR Two) Programme. The project also provided agricultural inputs in the form of tractors and fertilizers.

b. The Japanese Government also provided 800 million Yen in 1998 under the Increase of Food Production in the Border Areas KR Two Programme. The project also provided agricultural inputs of tractors, fertilizer and four bulldozers to construct feeder roads.

c. The Japanese Government provided 584 million Yen for the Project for Improvement of Road Construction Equipment for Kokang Region in Northern Shan State and 216 million Yen for the Project for Electrification of Kokang Region in Northern Shan State under the Official Development Assistance (ODA). The Ceremony for the Completion of the Project for Improvement of the Road Construction Equipment for Kokang Region was held on 6th December 2002 and the Ceremony of the Completion of the Project for Electrification was held on 7th February 2003.

d. The Technical Cooperation Project for Eradication of Opium Poppy Cultivation
and Poverty Reduction in Kokang Special Region No. 1 has been implemented with US$ 3.546 million from 2005 to 2009 in five sectors including agriculture, education, health, infrastructure and livelihood improvement.

**Cooperation with International Non-Governmental Organizations**

The Progress of Border Areas and National Races Department has been cooperating with the following agencies for the implementation of alternative development projects:

1. Malteser International
   Prevention and Control of Sexually Transmitted Diseases and HIV/AIDS and Integrated Health/ Water/ Sanitation Programme

2. Welthungerhilfe (WHH)
   Improved Food and Livelihood Security in Former Poppy Growing Areas

3. Aide Medicale Internationale (AMI)
   Support of Primary Health Care System in Northeastern Shan State

4. World Vision (WV)
   Community Based Rural Area Development Programme

5. Swiss Foundation for Development Assistance (SWISSAID)
   Participatory Integrated Rural Development Project in Sustainable Agricultural and Natural Resource Management in Kachin and Shan State (Extension)

6. Nippon Foundation (NF)
   Education for Peace and Development Project (Phase Two)

7. Association of Medical Doctors of Asia (AMDA) Primary Health Care Project

8. Terra People Association (TPA)
   Creation of Symbiotic Society (Phase Two)

**SUMMARY OF GOOD PRACTICES, LESSONS LEARNED AND MAJOR CHALLENGES ON ILLICIT CROP ELIMINATION AND ALTERNATIVE DEVELOPMENT**

Opium-free zones were established in Monglar, Kokang and Wa Regions. Over the past 10 years, the ex-poppy farmers have had little chance to adjust appropriately to a poppy-free life. The ex-poppy farmers are still facing food insecurity, malnutrition, contagious diseases and economic exploitation.

UNODC pointed out the need to look at these situations from a basic human needs perspective, outlining the need for a three-steps approach and conducting such a programme within the framework of wide partnerships. The three steps involved are:

- An emergency phase where direct relief efforts would include provision of food followed by;
- A second phase which would deal with generating basic food security before finally moving into;
- A final, third phase which would graduate to more alternative development within a food secure environment where households would be assisted in developing more economic activities that would supplement the food security that already exists.

As the families of the ex-poppy farmers sell assets to cope with the loss of income and to pay debt, malnutrition is likely to follow. Some of the Wa communities have been re-
settled from their mountainous highlands to the lowlands in search of substitute livelihoods. They have to adapt to new living conditions and are exposed to malaria which is more prevalent in the lower lying areas.

When the ban on opium poppy cultivation was enforced in the Wa Region in 2005, most of the people met with food security problems. To meet their basic human needs they have had to look for alternative sources of income. In the meantime, these people rely on emergency assistance to overcome their economic dislocation. The farmers are suffering from the lack of rapidly available alternative strategies. Sound income generating alternative measures are needed to sustain the reduction of opium poppy cultivation and production.

A direct link existed between opium poppy cultivation and opium addiction in the Wa Region. Opium addiction of family members is an estimated four percent higher in the Wa population than that of the rest of the population. Addiction reduces family productivity; when heads of the households are the addicts, women and children are forced to take on additional work. Through drug demand reduction activities the number of addicts can be reduced and they can lead a more productive life. Intravenous drug use is a primary mode of HIV transmission across Myanmar though in the Wa Region, the problem remains largely confined to commercial sex workers (CSWs). We need to actively improve public health conditions and drug and HIV/AIDS awareness raising in the region to combat these problems.

The international community has hailed the decline in opium production in Myanmar but the ex-poppy farmers are facing a grave situation if the problems associated with its eradication are left unaddressed. The current challenges of the Wa Region are isolation, poverty, lack of markets, lack of quality and high yield varieties of seed for crop production, lack of agriculture inputs such as seeds, fertilizers and farm equipment, land access and ownership and rudimentary infrastructure. A holistic approach to a more sustainable alternative development is urgently needed.

RECOMMENDATION FOR FUTURE DEVELOPMENT AND IMPLEMENTATION OF ALTERNATIVE DEVELOPMENT AND ILLICIT CROP MONITORING PROGRAMME

Emergency and pre-emergency aids are needed to sustain opium-free zones and prevent humanitarian crisis. The following three major interventions are urgently in need:

- The provision of food;
- the provision of training and income generation opportunities; and
- the provision of other assistance needed to keep the communities viable.

For alternative development, ex-poppy farmers' food security must be improved through alternative income generating pro-
grammes. Alternative livelihoods must be set up with micro-finance and micro-credit schemes. The need for more immediate integrated livelihood programmes must be emphasized. Alternate sources of income through forest produce, manufacturing handicrafts and textiles and other agricultural activities will help improve farmers' livelihoods and access to basic needs. This is urgent as basic security, health care and education require immediate access to cash. Strengthening the existing infrastructure by improving water supply structure is also important. Water infrastructure for both domestic and agriculture purposes should be fortified so that farmers can grow alternative crops throughout the year. External assistance is urgently needed to help to construct and maintain these structures. Of utmost importance is the community’s capacity to build and sustain these initiatives by themselves. We need to foster capacity building by which the communities empower and prepare themselves for the future.

If alternative means of acquiring income are not provided, women and children may become more vulnerable to trafficking as a consequence of poor information and awareness among the ‘at risk’ populations and also as a result of limited work opportunities and economic hardships. International cooperation on the control of precursor chemicals is needed to contain ATS production in the border areas.

CONCLUSION

In conclusion, Myanmar has been carrying out the enormous task of eliminating the scourge of narcotic drugs on mankind relying mainly on her own resources. Although Myanmar has limited resources, Myanmar is committed and dedicated to carrying out the task of totally eradicating this national and international curse by 2014 so that it will become a drug-free ASEAN Region by 2015.
Wa Alternative Development Project (RAS C25)

Presented by U Nyi Nyi, Senior Programme Officer, UNODC

PROJECT OVERVIEW

This project is designed to facilitate interventions providing ex-opium farmers in the Wa Region with the skills and opportunities to live self-sufficiently without the income derived from opium poppy cultivation. After the opium ban by the Wa Authority in mid-2005, the situation calls for rapid changes in coping mechanisms for ex-opium farmers in terms of developing rice and other crop production, enhancement of other sources of income generation and provision of required social services. The need to shift from traditional slash and burn upland paddy cultivation to a permanent and integrated farming system with an emphasis on maximizing productivity was urgent. Increasing agricultural productivity and promoting agribusinesses were considered to be effective measures for promoting food security and income generation; they would also contribute to reducing poverty and improving natural resource management. The participatory community development approach supported the formation of village level institutions such as village development committees (VDCs), the mutual help teams (MHTs), and water maintenance/management committees. Lessons learned and experiences gained in the earlier project phases were used to promote the alternative development initiative policy of the Wa Authority through the Kokang and Wa Initiative (KOWI) partnership mechanism that involved the all-out efforts of United Nations (UN) agencies and international non-government organisations (INGOs) for the multi-sectoral interventions and responsibilities in area-specific locations throughout the Wa Region.

Clean water supply in the community

The C25 project has been implemented in three phases over a long period of time; Phase I (March 1998—December 2000), Phase II (January 2001—June 2004), and Phase III (July 2004—December 2007). The final evaluation of the second phase was completed in March 2003 and the project was revised as a result in 2004. An impact evaluation was made in 2007. The third phase of the C25 project aimed at continuing providing social services and drug demand reduction inputs in the original project area of Mong Pawk District as well as expending further into the North Wa Region – in particular Mong Maw and Wein
Kao Districts for water resources development and agriculture production. The project promoted partnerships with UN agencies and INGOs through the Kokang and Wa Initiative (KOWI) and joint projects or parallel projects with UNICEF and other UN agencies have also been implemented to fill the gap between opium production and the adoption of other livelihoods of the ex-opium farmers. The project initially liaised with the Central Committee for Drug Abuse Control (CCDAC) at policy level and with the Ministry of Progress of Border Areas, National Races and Development Affairs (PBANRDA), commonly known as ‘NaTaLa’, at operation level.

The project goal set forth for non-cost extension in 2008 is ‘to coordinate technical assistance aimed at strengthening the Wa Authority’s capacity to implement its poverty reduction policies while integrating a multilateral-led programme in sustainable livelihood in the Wa Region’. The project has five outcomes and eleven outputs. The outcomes are: (i) capacity of the government sector (i.e. the Wa Authority) to develop alternative livelihood development (ALD)-related policy and capacity building skills of government officials and village leaders; (ii) coordination by KOWI of multilateral organisations’ work; (iii) completion of ALD activities in villages which are being sustained through new Wa and multilateral agency plans; (iv) community-based treatment and reintegration of opium addicts; and (v) withdrawal of capital and operational assets or handover/sale to local authorities, multilateral partners.

**ILLICIT DRUG SITUATION**

**Production**

The area under opium cultivation in Myanmar fell from 163,000 ha in 1996 to 105,000 ha in 2001 and 81,400 ha in 2002. Between 1996 and 2002, production levels fell to just over 50 percent, from 1,760 to 828 tonnes. Around 70 percent of opium output is produced in Eastern Shan State which includes the Wa Special Region 2 where the C25 project is being implemented. In 1995, the Wa leadership established a drug control committee, which announced that the area under their control would be declared a opium-free zone with complete opium

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**Figure 2. Opium poppy cultivation in Myanmar**

Source: Opium Poppy Cultivation in South East Asia, Lao PDR, Myanmar, Thailand, 2007
eradication by mid-2005. It requested domestic and international assistance to achieve this goal.

**Trafficking**

International media and the United States of America alleged that United Wa State Army (UWSA) is the biggest armed drug trafficking group in Southeast Asia. However, there is no hard evidence the UWSA, nor other ethnic groups, are involved in the production and trafficking of drugs illicitly as an organisation. Myanmar has several insurgent groups, among them 17 major groups, which have peace agreements with the Government since 1989. Khun Sa’s Mong Tai Army, now disbanded, was an organisation fully involved in drug production, running heroin refineries at Ho Mein on the Thai border with networks in Thailand, Hong Kong and Taiwan for the international market. Nonetheless, there are certain cases of individuals from the peace groups involved in production and trafficking. Aik Pan was a Brigade Commander in the UWSA when he was arrested in 2005 September with 496 kg of heroin in East Shan State. He was acting on his own as a courier for Han Yu Wang, a Chinese criminal wanted by the Chinese Authorities. It was a Myanmar–China joint operation that took over two months that lead to his capture. Han Yu Wang was later arrested in Laos by a taskforce of Myanmar, China and Lao law enforcement officials while trying to flee to Vietnam and extradited him back to China.

Trafficking of firearms from the Thai and China borders is also run by individuals or middlemen from the Chin State and Sagaing Division for the Indian insurgent groups active along the Myanmar-India border. Precursor chemicals like ephedrine are trafficked from India to the clandestine refineries and labs in the eastern border and on the way back, firearms are smuggled.

**Common methods of transport**

Concealment of drugs on the body both outside (wrappings with duct tape) and inside (swallowing/in the anus in condoms)
are quite common when trafficking small amounts. Using hollowed out or false compartments in motor vehicles are used when smuggling larger amounts. Large amounts of drugs are also seized on long haul highway trucks concealed with other commodities. Precursor chemicals from the Chinese borders are smuggled using mules, horses and trawlergies to overcome the rough terrain.

**Major trafficking routes**

Myanmar shares long and porous borders with China, Thailand and India. It also has a long coastline. The Mekong River is an international boundary with Laos. These are not policed or tightly controlled. Consequently, drugs produced illicitly near the border areas are smuggled quite easily across the borders into China and Thailand. Precursor chemicals are easily trafficked using the same routes. The Mekong River is also used as a major trafficking conduit for precursors from China.

Domestically, the highways connecting the states and divisions are commonly used for trafficking. Drugs from the northeast border areas are trafficked to Mandalay in the centre of country and then to Yangon and on to international markets though the international sea and airports using containers. Fishing trawlers are also used, avoiding seaports and checkpoints. These vessels transport drugs to the edge of international waters where a mothership waits to make the pickup.

Mandalay is the marketplace for precursor chemicals from India and drugs from Shan State. Precursor chemicals from the Indian border are trafficked to Mandalay through Chin and Sagaing Division where middle men purchase and resell to buyers coning from the Shan State. Most of the drugs produced in the eastern Shan State are trafficked directly across to Thailand and Laos using land borders and the Mekong River.

**ALTERNATIVE DEVELOPMENT STRATEGIES AND APPROACHES REVIEW**

The national drug control strategies contained in the Strategic Programme Framework – UN Drug Control Activities in Myanmar (October 2002) prescribes four basic principles:

1. Inclusion of the ethnic minority groups engaged in drugs within the wider Union of Myanmar context, and introducing them to good governance;
2. Active involvement of civil society and community development;
3. Strong synergies within the wider UN agenda for Myanmar, such as political reform, human rights and labour;
4. Cooperation with UN agencies and international and national NGOs within the frame work of UN Review of Humanitarian Issues in Myanmar (such as food security, natural resources management, gender, HIV/AIDS, etc.).

The main project strategies focused on in the third phase of the C25 project were:

**Participatory planning and monitoring:** increasing the involvement of Government of the Union of Myanmar (GOUM) and WA Authorities in planning, implementation and monitoring of project activities;

**Village development planning:** strengthening of community development work to improve village level planning and evaluation of activities;

**Food security:** focus on poor villagers, addressing their need through simple inexpensive activities resulting in improved
food security and alternative income opportunities;
Social services: provision on basic in the area of health, education, sanitation and water supply, including drug demand reduction and drug abuse prevention;
Sustainability: focus on simple, low-cost activities that can be sustained by the communities, as well as preparing the ground for follow-up development activities by national and international development agencies.

PROJECT ELEMENTS

Objectives

Drug control objective: Phase Three of the project aims to enable the people of the Wa Region to have sustainable livelihoods to support and sustain the rapid reduction of opium poppy cultivation after the 2005 ban on opium cultivation goes into effect. This will be done through comprehensive and integrated sustainable livelihood programme, focusing on food security and basic human needs.

Immediate objectives: To improve the livelihoods of targeted households in the Wa Special Region enabling them to survive without the income derived from opium poppy.

Main Project Strategy: Phase Three of the project to be conducted cooperatively with the GOUM and Wa Authorities. Through this collaborative planning, supporting inter-agencies and local authorities’ offices, a unified policy for drug control interventions will be established to facilitate timely and effective project implementation.

Strategies

In conducting the work cooperatively the project facilitated greater interaction and cooperation between the GOUM, through the CCDAC, NaTaLa and the relevant Wa Agencies. Trainings and other project activities were directed at people from Wa Region so as to enhance the human resource capacity of the local population. This joint planning will support village-level participatory community development as one of its guiding principles.
This approach will ensure that:

1. implemented activities are linked to existing needs, based on effective demand and the natural resources of the community;
2. development activities and processes are in harmony with local customs and culture;
3. human resources – both men and women – are mobilized and strengthened, as well as local capacity developed; and
4. the villagers have a feeling of ownership of the development initiatives and processes, a crucial aspect of program sustainability.

The project will cooperate with other agencies through the KOWI umbrella. While individual KOWI projects not executed or implemented by UNODC will remain independent, this project comprises the core of the partnership, linking past initiatives with the present work and enabling close cooperation with the authorities. In short, the project’s role regarding KOWI will be to:

1. facilitate the entry and interventions of new partners under the KOWI framework;
2. augment the impact of interventions through coordination of the partnership;
3. focus interventions of partners effec-
tively through collecting and processing socio-economic data based on the ongo-
ing opium surveys;
4. prevent worst case scenarios by initiat-
ing pilot activities directed at urgent food security challenges in Northern Wa; and
5. build local capacity within communi-
ties and local authorities to formulate and implement appropriate measures.

This approach expands the UNODC multi-
sectoral sustainable livelihood approach carried out in previous project phases and will serve as a model for partner interventions. The impact of the interventions, for which each respective partner remains entirely responsible, is to be monitored through data collection and processing centered at the KOWI office in Pang Kham. The data will not only serve to allow assessment and necessary adjustments of existing interventions, but also to identify areas of vulnerability. The database will be organised in close collaboration with the annual UNODC opium survey and the food security monitoring of FAO/WFP so as to avoid duplication of efforts and resources.

Activities

Phase Three of the C25 project has been de-
signed to expand the success of the existing project into the rest of Wa Region. Using the approaches that encourage joint man-
agement and planning that have been de-
vis in the project, Phase Three will be able to gain considerable assistance from the local leadership and people needed fol-
lowing the 2005 ban on opium cultivation.

This phase will continue providing social services and drug demand reduction inputs in the original project area of Mong Pawk. At the same time, activities, particularly in water resources development and agricul-
tural production that are the most essential for bridging the gap between opium pro-
duction and the adoption of other livelihoods, will be expended, initially on a pilot basis, to key areas in the rest of the Wa Region.

Resources

The project is executed by UNODC with its financial and human resources. The Central Committee for Drug Abuse Control (CCDAC) is UNODC’s partner agency responsible for policy and central liaison. The Ministry for the Progress of Border Areas, National Races and Development Affairs (PBANRDA), commonly known as Na-
TaLa, handles operational management. NaTaLa provides a national project director for the field office.

Planned Outputs

Output 1 is the establishment of stake-
holder planning, coordination and a man-
agement structure. Through this all the stakeholders (Government, Wa, UNODC) will agree on a unified policy.

This first output is a foundation upon which the successful implement of the pro-
ject strategy depends. Through joint plan-
ning and management, support for agreed upon activities is guaranteed. To enhance the capacity, where necessary, of key individuals in the government and the Wa Authority, study tours and other training activities will be implemented. **Output 2** links the joint planning with the community level. Basic village development groups will be established to address needs in villages. This will be done in a culturally and gender sensitive manner. Through this process the various activities of the project that aim to boost household livelihoods will be implemented at the village level, supporting a reduction in drug crop dependency across those areas targeted by the project.

**Output 3** is the establishment of sustainable increases in agricultural and livestock production. By combining an environmentally-sensitive approach with local participatory planning, it is expected that agricultural outputs can be enhanced. Lessons learned in the previous phases together with new partners and a more flexible approach will allow for more rapid implementation.

**Output 4** will address the severe environmental impact the legacy of opium poppy cultivation has had on the Wa Region and which serves as a constraining factor to phasing it out. By promoting environmentally sound farming practices, reforestation and conservation of remaining biodiversity pockets, the project will reinforce its other activities, and contribute to the general health and well-being of the population.

**Output 5** is to increase village-based income generating activities. The project will explore a range of possibilities that make use of indigenous wisdom and traditional skills. Market surveys and an assessment of micro-credit schemes will be carried out to identify and support small-scale income generating activities.

**Output 6** aims to improve social services. These include expanding and improving village-based health services and educational institutions. Without such improvements, the development initiatives may well not be able to be sustained. In addition, feeder roads and potable water source development, built by the local people (sometimes through WFP Food for Work projects) will be carried out.

**Output 7** will be to create an operational drug demand reduction system throughout the Wa Region. In cooperation with the CCDAC and the Wa Authority, detoxification and rehabilitation services will reach the entire region. Furthermore, information on other drugs such as ATS will be provided so as to prevent the people from taking up the use of such substances.

**Output 8** is to establish a performance monitoring and evaluation system. This will be linked to the annual opium poppy surveys carried out in earlier project phases. This will be linked with baseline socio-economic surveys in new project areas. This data will be then used as the basis of a socio-economic database and participatory monitoring and evaluation system to be based at the KOWI/TCU Office in Pang Kham (the seat of the Wa Authority).

The KOWI Coordination Office is based in Pang Kham where, because of the joint planning being conducted there, sustainable linkages will be established and strengthened. Although UNODC expects to complete its work in the Wa Region by 2007, it has been mandated by the Myanmar UN Country team to serve as a KOWI coordination partner when other agencies, whose mandates are directly in the fields of development and agriculture as well as
other non-drug related sectors, will take over the work in Wa Special Region No.2 after that date. This will contribute more effectively to the achievement of the Government of the Union of Myanmar’s goal of eliminating and sustaining the elimination of opium cultivation by 2014, if not earlier.

HIGHLIGHTS AND KEY INNOVATIVE ASPECTS OF THE PROGRAMME AND PROJECT

In 2008 all UNODC projects were collectively placed under the UNODC country programme allowing for centralized management and better information sharing system. A project logical framework, work plan, costed work plan, and budget were prepared and programme activities and implementation rates were monitored. The senior management team based in country office provided required programme, monitoring and communication guidelines to field offices.

At the project level, more attention was given to local human resources and capacity building to Wa Authorities and technical bureaus. For example; UNODC established an English language training centre in Pang Kham and an agriculture training centre in Mong Pawk during its extension period in 2008.

As part of the partnership, technical cooperation and facilitation to partner agencies under KOWI, a database system was established and agencies representatives were trained in the access and update of data and information. Quarterly newsletters in three languages – English, Chinese and Myanmar – were published to provide updates of development activities by UN agencies and partner agencies.

PARTNERSHIP, COLLABORATION AND NETWORKING WITH GOVERNMENT AND OTHER DEVELOPMENT AGENCIES AND PROGRAMME

In partnership with UNICEF, the project assisted in renovations of schools, provision of boarding houses and school water supply systems in Wein Kao District. Primary school curriculum text books, exercises books and school stationery were distributed to school children. Qualified teachers were selected for the training of trainers (TOT) training series in Yangon and the participants passed on their acquired knowledge to adult literacy teachers in villages supported by the project.

UNODC implemented irrigation and land development schemes in partnership with WFP. The project provided cash items such as construction of weirs and canal structures while WFP provided rice for Food for Work to support canal constructions and land development activities.

In technical cooperation with CARE, WHH and FAO, the project prepared manual books on tea plantation and processing in local languages. These will help community development workers and agriculture extension workers of partner agencies who will work in the fields and work closely with communities.

Technical forums were organised in water supply maintenance, food security, land ownership, health and tea industries by the technical advisors of the UN, Wa bureaus and INGOs. Emergency response teams were established to take quick action through networking in case of animal disease outbreaks in the region.
SUMMARY OF ACHIEVEMENTS, GOOD PRACTICES, LESSONS LEARNED, KEY CHALLENGES AND CONTRIBUTIONS TO SUSTAINABILITY OF OPIUM REDUCTION IN THE COUNTRY

The project contributed toward stakeholder planning, coordination and the establishment of management structure through the KOWI mechanism created under C25 frame. The project facilitated the entry of UN agencies and INGOs into Wa Region, resulting in multi-sector development across a wider area in the Region. Advocacy and technical coordination through KOWI have brought more interest and participation of Wa central and township authorities. Partnership programmes with UNICEF and funding from UN Trust Fund for Human Security could add more funding resources to implement school construction/renovation, irrigation schemes and land development. Project staff participated in seminars and study tours with the alternative development programme organised by the UNODC Regional Center and some international communities.

The project introduced and established village development organisations such as village development committees and mutual help teams in some villages and village populations received basic technical training and social services through project-trained community development workers who assisted in village livestock, agriculture and infrastructure maintenance.

Figure 3. Achievements of infrastructure

<table>
<thead>
<tr>
<th>Infrastructure implemented by UNODC (1998-2008)</th>
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<tbody>
<tr>
<td><img src="image" alt="Graph showing infrastructure achievements" /></td>
</tr>
</tbody>
</table>

- **School**: Mong Pawk - 17, Mong Maw - 6, Wein Kao - 1
- **Road**: Mong Pawk - 4, Mong Maw - , Wein Kao - 
- **Water Supply**: Mong Pawk - 53, Mong Maw - 10, Wein Kao - 11
- **Electricity**: Mong Pawk - 2, Mong Maw - , Wein Kao - 
- **Health**: Mong Pawk - 4, Mong Maw - , Wein Kao - 4
- **Irrigation**: Mong Pawk - 11, Mong Maw - 1, Wein Kao - 

109
Most households are members of one or more village development organisation.

The project achieved a sustainable increase in agricultural production through small to medium scale irrigation schemes that contribute to regional food security as new lands developed and farmers accepted high yield paddy varieties. The project’s intervention failed to achieve a sustainable increase in livestock production. However, the project was able to train several village livestock workers in villages, participants of the Agriculture Training Centre and drug addicts with drug demand reduction centers in animal raising, care and vaccination, which will be valuable in maintaining the number of existing cattle. Through KOWI coordination, an emergency response team, consisting of UNODC, INGOs and NaTaLa veterinary doctors, was established for prompt vaccination in the case of fatal animal disease outbreaks.

In social development, the project provided several gravity water systems in villages. Maintenance persons were trained to ensure sustainability. The project did not provide much hygiene education but, trained village health volunteers and launched immunization programmes with the Government of the Union of Myanmar in parallel with a project named G-25 which ended in 2004. The rate of malaria infection has been significantly reduced with the entry of health NGOs in 2004-2005. Several schools were constructed which now teach the GOUM curriculum. The project also supported teachers’ salaries up to mid-2005. In partnership with UNICEF, the project assisted adult learning centers, school renovations, provided school furniture, textbooks, exercises books and TOT trainings in 2007-2008.

The project launched several township-based drug demand reduction (DDR) centers and reduced the number of drug addicts. It also incorporated vocational skill training into the DDR programme, including carpentry training and livestock training.

The project organised several surveys and assessments such as a socio-economic baseline survey, impact assessment, illicit crop monitoring and opium-yield surveys, and mid-term evaluation to facilitate better project performance and enable the project approach to be revised, as necessary. The project also established a GIS database for monitoring, evaluation and reporting that has contributed not only to UNODC’s opium and socio-economic surveys but also to technical coordination with partner agencies in terms of agencies’ activities mapping, administrative boundary maps, elevation maps, catchment studies for irrigation and land development schemes and in helping the Wa bureaus with their own initiative plan and project.

**Good practices**

(i) The project needs to introduce capacity building along with appropriate technologies, such as gabion weirs and irrigation infrastructure construction, integrated as much possible with Food for Work canal constructions and new land development (formation of traces) incorporating irrigation farming systems. Gabions are simply
wire mesh with an iron-framed box filled with crushed rocks or gravel. Such technology is financially viable and appropriate for small-scale irrigation schemes managed by farmers.

(ii) The project should intervene in the targeted villages, starting with quick impact activities such as water supply, irrigation etc., following rapid need assessment and beneficiary selection based on wealth ranking. Only after this step, which allows trust with authorities and communities to be built, should the process of formal community development and village institution building be initiated.

(iii) Rising cereal prices have led to a huge increase in food prices reducing their availability to low-income rural households. Agricultural research into finding appropriate integrated farming system of crops and livestock that can thrive in extreme weather conditions will be greatly needed in upcoming food security projects.

(iv) Activities undertaken by the project need to be strengthened to ensure that the success achieved is sustainable. The successors of KOWI/TCU should publicise more widely through the media the project’s successes in improving the livelihood and standard of living of ex-opium farmers in project intervened villages.

(v) More funds should be allocated to extension work and infrastructure support for agricultural development. In addition, to ensure food security and facilitate income generation for social development, the micro-credit programme should be included in upcoming successor projects.

(vi) Successor projects should provide a larger allocation for the multiplication of improved seed varieties and the livestock breeding programme. This will ensure that successful interventions are available to more beneficiaries for their food security and social development.

(vii) For irrigation and water supply system maintenance, the project should focus more on establishment of water management committees/maintenance committees, and provide more capacity building in construction and maintenance. The project should also encourage practices of maintenance fees collection and reservation of required tools and spare parts.

Lessons learned

(i) Capacity building of village institutions is a long-term process involving skills training, infrastructure development, and provision of supporting facilities and extension services. This intervention must continue long enough in project-intervened villages especially when villagers are still growing opium. This requires strong support from all stakeholders, especially international donors.

(ii) Basic research/demonstrations leading to new high-yielding crops and animal varieties suited to the region need to be tested first by the project. Only then should the one or two successful varieties which have an established market be disseminated to communities.

(iii) Local administration with a top-down approach, as practiced in the region, has negative impacts on the establishment and performance of community-based village institutions. Participation of relevant authorities in all project activities at the beginning is essential for sharing experiences and expanding the dissemination and adoption of successful technology/varieties.
(iv) Dissemination of technologies/varieties to large numbers of ex-opium farmers requires considerable financing, trained human resources, and supporting infrastructure. Interest and collaboration of partner agencies are needed to ensure sustainability at farming households in across a wider area.

(v) The number of farm inputs such as perennial seeds introduced in each farmer group should be limited, and the varieties promoted should be in line with market needs to ensure that farmers are able to produce the large quantities required, not only for traditional markets but also for local processing, formation of community-based enterprises and export to markets.

(vi) To ensure the success of buffalo banks, continuous investment with close supervision of a revolving fund in the villages is needed. A minimum of three years is required to payback the calf to the village development committee in order to redistribute and expand the revolving system to other villages in the village tract.

(vii) Additional resources are needed for extension activities to achieve maximum benefits from several activities by the project and through partner agencies. Government extension staff such as agronomists, veterinarians, etc. should be provided with remuneration comparable to INGO local staff so that more qualified staff will be willing to undertake this important extension services.

**Key challenges**

Major constraints are limited funding stemming from the frustration of major donors failing to see quick results in serial phased projects of long duration. Other constraints are delays in cash flow resulting from funds channeling through UNDP and China; lack of awareness and participation of central and townships authorities in community-based small projects, especially in early stage of the project; and ill-defined roles of counterpart agencies, CCDAC and Na Ta La at policy level and field level. There were difficulties in coordination of field activities and information sharing between partner agencies, which work independently using their own funding. KOWI had limitations in technical coordination in terms of multi-sector expertise and facilitations with GIS/mapping, etc.

**Sustainability (contribution to opium reduction in the country)**

After the completion of project G45 in 2003, and an additional one year of water management training in 2004, the township authorities took over full control of the operation and maintenance of the Mong Kar irrigation scheme. It is the largest irrigation scheme, based in the wide and milder slope alluvial land areas of the Wa Region. Most of the smaller irrigation schemes are also now functioning except two schemes: one has been abandoned by the villagers due to their engagement in a rubber scheme; and one is non-operation due to severe landslides during the rainy season in 2008 which covered the canal. In most schemes, villagers in the maintenance committee normally undertake regular maintenance work such as desilting at the weir or intake, and along the canal during paddy growing season.

Almost all water supply systems constructed are working well with the exception of some suffering some damage or malfunction in the distribution system. Most of the villagers have acquired skills to re-attach the pipe lines as in addition to constructing the system, the project pro-
vided training along with required tools. However, many tap stands are damaged and villagers are taking water directly from the reservoir. There are some cases where weaknesses in the design of gravity flow water system, resulting from an underestimate of the prevailing water pressure or use of sub-standard pipe material in the early stages of the project, has led to frequent breakage of pipe connections and necessitated replacement of the pipes with new ones. In most cases, two to three maintenance persons are taking care of the water system and they are paid in kind or in cash by the water users.

All schools are found to be in good condition and are conducting classes. Many schools need more teachers. Teachers are supported by either the Government or Wa Authorities and parents. Some school schools need more rooms, furniture and latrines. The health of students is normally fine in most schools visited. Only one school is reported to have been abandoned but the evaluation team could not visit due to the presence of a military outpost near the village.

All rural health centers in the three townships of Mong Pawk District and the hospital in Mong Pawk are in good condition and functioning, providing public health care services. They have been handed over to the Government or INGOs working in the project areas. The Government provides doctors/nurses for hospitals and nurses in rural health centers while INGOs take care of mobile clinic activities based in those clinics, providing health training to village health volunteers and supplying medicine, etc.

The main shortcomings were: (i) the capacity building training in operation and maintenance only reached a limited number of villagers in the early phases of the project; and (ii) the community development approach and establishment of village development institutions focuses solely on project-intervened villages and has not inspired the interest or participation of district/township authorities. The project had only a limited number of field staff and the duration of their presence in the field to disseminate the capacity building trainings and extension services was restricted due to budget constraints and unfavorable circumstances resulting from a misunderstanding with local authorities in the earlier phases.

The sustainability of project-initiated formal village development institutions including village development committees and mutual help teams is rated as ‘less likely’. However, the current practice of keeping one or two maintenance persons with in-kind payment by the water users seems to be more likely to sustain these schemes especially in villages with water supply and irrigation schemes. Therefore, overall, the project sustainability on infrastructure is rated as “likely.”

The Wa Region is technically opium-free since the Wa Authority’s opium ban in mid-2005. Former opium fields have been transformed into upland paddy fields or tea plantation in higher elevations while river valleys have become rubber plantation sites. The project has contributed to regional food security and social development to some extent through its activities and in cooperation with partners in the UN and INGOs under the KOWI coordination mechanism. There are some out-migrations of local peoples from some areas close to Myanmar-controlled territories mainly to grow opium or to find other employment such as logging jobs. It seems unlikely that the local population will return to opium cultivation in the Wa Region.
RECOMMENDATIONS FOR FUTURE DEVELOPMENT AND IMPLEMENTATION OF ALTERNATIVE DEVELOPMENT AND ILLICIT DRUG ELIMINATION PROGRAMMES AND PROJECTS

(i) The project steering committee, consisting of UNODC, CCDAC, NaTaLa and the Wa Authority, should meet at least annually to review the project’s performance and facilitate program activities. INGOs, and GOUM departments representatives should be invited to these seminars and workshops.

(ii) Local, indigenous and traditional knowledge in alternative development products such as non-timber forest products, and appropriate processing technology (i.e., OTOP – one tambon-one product). Marketing of alternative development products should be given priority in the program planning of upcoming successor projects. The project should provide/invest competitive alternative development grants and micro-credit schemes and revolving funds to support appropriate alternative development technology development and the establishment of rural enterprises in the region.

(iii) The management information system database should be expanded and made available to Wa bureaus to provide the results of new technologies, varieties, implementing partners’ activities, geographical locations and the impacts on ex-opium farmers’ income and livelihood resulting from multi-sectoral development projects.

(v) Hygiene education should be incorporated into the project’s water supply schemes to improve the health status of beneficiaries and to minimise waterborne diseases. Community and school latrines should also be provided as a package with water schemes in upcoming projects.

(vi) Minimising tap stands in the distribution system of gravity water supply systems will be more viable and sustainable if adequate skills training on maintenance are incorporated along with water system construction. This will reduce the burden on local population in their future maintenance contribute more on its sustainability.

(vii) Greater attention should be given to keeping records of the number of schemes, locations, and population receiving project benefits by gender and the impact on their health status. A database should be established from the beginning of the project and data and information should be compiled to serve as a useful monitoring tool and for the compilation of better reports/presentations during donors’ visits and evaluations.

(viii) Findings from C25 projects should be utilized in drawing up food security and social development plans and in supporting additional resources for the capacity building of local authorities and communities for the sustainability and self-reliance in the successor projects in the Wa Region.

RECOMMENDATION FOR FUTURE DEVELOPMENT AND IMPLEMENTATION OF ALTERNATIVE DEVELOPMENT AND ILLICIT CROP ELIMINATION PROGRAMMES

It is recommended that the area of UNODC intervention be extended further north of Wa Special Region 2, Mong Maw District where the project provided assistance only for a short period due to limited budget. Adding to this, NGOs were apparently reluctant to intervene due to remoteness and difficulties in movement due to restrictions by local authorities.
Food security and social development should be made priority activities consisting mostly of irrigation, water supply and school construction and capacity building packages on agriculture, livestock, water management, maintenance skills, etc.

The project should start only with a few small scale activities in order to achieve quick impact, which is crucial to build trust with local authorities and not to confuse communities with complicated concepts and procedures. At the same time, some visible assistance, proposed by the district authorities, should be provided in the main town to enhance awareness of the authorities’ influence on the project’s intervention.
Food Security and Sustainable Livelihood Programmes in Myanmar

Presented by U Saw Aye Linn, Sustainable Livelihood Expert, UNODC

BRIEF PROJECT OVERVIEW

This project aims to influence farming communities in Pinlaung to alter farming practices so that more of their time and investments are spent in increasing diverse food crop production and opium poppy cultivation is ended. With food needs met, surplus will be used to expand the village economy via agri-business that can lead to sourcing markets for higher priced processed products. The project will run from 2008 to 2011 in southern Shan State.

In responding to the concerns of the Government of Myanmar, local authorities and other international organisations, UNODC will be helping to remove one major obstacle to development – illicit drug production. The 2007 UNODC survey showed that where opium poppy competes with food as a cash crop, food security, community welfare, and the rule of law suffer.

Some 64 percent of South Shan opium producing households continue to face between three to six months deficits in food production while up to 18,000 ha are devoted to growing opium poppy.

ILILICIT DRUG SITUATION

Opium poppy cultivation traditionally takes place between October and February in Shan State but can be extended up to April in higher altitudes. A similar situation exists at higher altitudes in Kachin State where the climate can be cooler. Farmers are trying to counter the effect of eradication activities by changing their cultivation practices. Over the past few years this has been particularly true of South Shan State, and is described in Table A.

<table>
<thead>
<tr>
<th>AREA UNDER OPIUM POPPY CULTIVATION IN SHAN STATE (2006-2007)</th>
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<tbody>
<tr>
<td>Administrative unit</td>
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<tr>
<td>East Shan</td>
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<td>North Shan</td>
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<tr>
<td>Wa region</td>
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<td><strong>Total</strong></td>
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PROJECT BENEFICIARIES

The project’s primary target group consists of approximately 77,000 Pa-O villagers located in some 100 farming villages distributed along 10 village tracts in North Htibaw, Pinmon, Minbu, Hti Paung, South Htibaw Sindaung, Bant Ba, Lein Nyar, Nan toke and Lonpyin village tracts. Although the Pa-O are known for their agrarian skills and seem capable of producing food to supply their needs, decisions about the utilisation of limited land and the choice of farming technology to increase food production yields leave these communities in a precarious position with respect to food availability, access and utilisation.

The final direct beneficiaries of the project will be the men, women and children in the above-mentioned communities as well as officials of the local authorities in Pinlaung Township. The benefits are expected to reach surrounding villages through synergies created by the action with other humanitarian assistance that is on-going or expected to start up during the three-year implementation period.

SPECIFIC PROBLEMS TO BE ADDRESSED BY THE ACTION

- Land availability and utilization: To see how the average farm plot of less than 1 hectare (ha) per household can be enlarged, or alternatively, enlarge communal plots size by the authorities so as to increase crop cultivation.
- Farming practices: To diversify food crops, improve animal husbandry, fishery and agricultural through new farming technologies inputs in order to improve food production per hectare and reduce the negative effects of climatic conditions.
- Market access: To introduce agri-

business opportunities at the village level to add value through processing, packaging and marketing to other towns and villages.

- Basic social, health and physical infrastructure: To upgrade existing infrastructure (off-road village tracts and paths), improve sanitation (safe piped water and waste disposal) and introduce new services (solar- and hydro-generated electricity, and vaccinations).
- Village-Based Organisations (VBOs): To strengthen the functions and effectiveness of these community organisations to ensure they are actively involved in planning, organising and implementing key components of this intervention.
- Opium-based economy: With the help of the local authorities, secure commitment from the farmers to provide support for speedy replacement of opium poppy with food crops.
- Women and children as agricultural labour: To ensure that the special needs of women and children are considered and inputs provided to reduce their direct involvement in agricultural labour, while strengthening the role of women in household health and nutritional care.
- Drug addiction: To use community-based prevention and treatment to treat opium addicts.
Drug addiction can occur in people of any age. The programme aims to treat all addicts in the project areas and prevent others from becoming addicted.

PROJECT ELEMENTS

Objectives

By 2011, to have improved food security in all its dimensions in the Pinlaung area in order to prevent crises and contribute to the achievement of the Millennium Development Goal 1 in Myanmar.

Outcomes

- Outcome 1: Access to economic sources of food for six farming communities in Pinluang expanded.
- Outcome 2: Health and sanitation improved and life expectancy of farming households increased.
- Outcome 3: Economic base of beneficiary communities expanded to sustain livelihoods.

Activities

The list of proposed activities is as follows:

Outcome 1: Access to economic sources of food for six farming communities in Pinluang expanded.

1.1 Design, develop and conduct baseline survey: The effectiveness of this activity lies in it being the principal vehicle for survey teams to capture data on the prevailing conditions in each village cluster. Since the dimensions of food security require data on what foods are currently available to beneficiaries, how to go about improving access to foods and how food should be utilized, the instrument has to be comprehensive as a planning tool. As no reliable data exists elsewhere to facilitate planning, this method would be the most cost effective to implement, using project personnel with experience doing this type of work.

1.2 Introduce new crop varieties to increase yield: If the results of the survey points to the need to introduce new crop varieties that will increase yield, given the same land mass, then these will be presented to farmers and a programme of replacement followed. Where it is the old crop versus the new, more nutritious and better performing crop, the decision will be on the side of the new variety. The VBOs would play a leading role in the distribution of new crop varieties and the results at harvest to be compared against the old crop performance. The environmental impact and resistance to disease of the new potential varieties will be analysed prior to their introduction.

1.3 Verify implementation of agreement on opium poppy reduction: Once the opium poppy farmers have agreed to halt poppy cultivation and a time table set for crops to be withdrawn, the Action is required to verify that opium poppy is no longer being grown. The aim of this exercise is to see to the introduction of food crops in fields that formerly were devoted to opium gum production. The measure of success is the seamless phasing out of all opium poppy cultivation without negative impact on affected farmers.
1.4 **Introduce new breeds of livestock and inland fisheries:** Where necessary and practicable, new strains of livestock will be introduced in order to produce meat for food or for sale. Setting up fish ponds and training villagers in aquaculture provide them with additional sources of protein and potential to earn income. It is recognized that aquaculture requires costly initial investments to produce the ponds, treatment of pond water, feed for the fish/shrimp and cleaning and draining the ponds in order to avoid diseases that can wipe out an entire fish stock.

1.5 **Introduction of crop spacing, draining and natural fertilizers:** This activity concentrates on changing the inputs of production so that the yield from a fixed quantity of land will increase until diminishing returns set in. By maximizing returns from the farmer’s investments, land utilization can be deemed as having been put to the best use. The village clusters in Pinlaung are known to have far less access to lands than they need, hence the attempt to fully utilize what is available. Farmers will be trained in integrated pest management, crop rotation cycles and soil nutrient depletion.

1.6 **Build tracks and paths to serve the village economy.** The length of roads, tracts and paths that have to be introduced, extended, maintained or reduced have to await the survey to be carried out. Roads serve as the main communications artery, which people need to travel from one place to the next and to move goods and services to and from markets.

Outcome 2: Health and sanitation improved and life expectancy of farming households increased.

2.1 **Mobile health teams make monthly medical and dental care visits:** This activity brings the medical teams to the villagers, instead of the other way around, where the sick can often travel long distances to get treatment. The medical teams can develop data on health and nutrition standards that reinforce data and/or explain morbidity trends. Particular health worries can be treated as a group and the health teams can develop clinical practices that can lead the way in tropical medicine.

2.2 **Set up vaccination programme for children:** Millions of children in Myanmar have never had a medical or dental check up by someone from the health services, much less received vaccinations to ward off childhood infections. Villages are located in areas in which malaria, tuberculosis, dengue and other diseases are prevalent. The medical teams would administer vaccinations until villagers themselves can carry out the functions under guidance of medical personnel.

2.3 **Safe water supply and sanitation practices introduced:** Access to safe drinking water and proper disposal of waste are required by all human beings. The absence of these vital services increases the potential for outbreaks of illnesses that affect the production of food crops which in turn creates hunger in times of shortages. Without basic clean water and proper sanitation, infant mortality and life expectancy rates fall as villagers susceptibility to gastro-intestinal ailments, including diarrhoea is increased.

2.4 **Opium addicts enrolled in treatment and rehabilitation programme:** The opium economy does produce a higher drug addiction rate than in non-opium areas. Addicts are victims of themselves who will need help to return to self-worth and productivity. UNODC has pioneered a concept that gets communities involved in the treatment of addiction, which removes the stigma associated with public discovery of the habit and ensures their rapid reintegration back into society. Data from other interventions show that community-based treatment has a higher success rate than when persons are taken to be locked up in treatment centres.

2.5 **Communal recreational facilities for adults and play areas built:** Where adults and chil-
Children meet for celebrating communal achievements and engage in sports and recreation. This could be a building large enough to accommodate the entire village for social events. Playing fields can be prepared for organized and friendly sport.

Outcome 3: Economic base of beneficiary communities expanded to sustain livelihoods

3.1 Meetings to review and assess progress of implementation: The frequency of such meetings with VBOs and the local authorities will be determined by the circumstances. These gatherings have the potential for cross-cultural sharing and learning. The formal Project Steering Committees will be another vehicle to have formal meetings in order to discuss the progress of implementation and to make mutually agreed adjustments.

3.2 Range of technical and vocational skills training introduced: The know how of people is responsible for the pace of progress in many societies and would be no different in the six village clusters. Change usually takes place with more purpose when minds are won over. Emphasis will be on agricultural techniques that can help increase food production and improve nutrition and health.

3.3 Surplus produce and processed items sold in markets: Increasing production will involve developing opportunities to export surplus and to add value through processes. Processed products attract a higher sale price than raw material. Establishment of small cooperatives will be supported.

3.4 Training given to teams on marketing value added products: Getting out ideas on how to market produces requires a team of villagers to focus on this opportunity.

3.5 Selected products processed for sale: Starting with what is available in the villages,

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**Annex A**

**Opium poppy crop calendar in Shan State**

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<th>Pinlaung and Pekhon township</th>
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<td>Theme</td>
<td>Result Area</td>
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<td>Project Objective</td>
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<tr>
<td>3. Prevention, treatment and reintegration, and alternative development</td>
<td>3.4. Alternative Development</td>
<td>3.4.1. Enhanced capacity of Member States, upon request, to design and implement sustainable alternative development programmes, including, where appropriate, preventive alternative development programmes, within their broader development context, aimed at preventing, reducing and eliminating the illicit cultivation of opium poppy, coca bush and cannabis</td>
<td>By 2011, to have improved food security in all its dimensions in the Pinlaung area, in order to prevent crises and contributing to the achievement of the MDG 1 in Burma/Myanmar</td>
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any add-ons that can be sold will boost interest in scaling up this sector of the village economy. Fruits can be made into jams, liquors, or dried and sold as snacks. Products that offer potential for processing will be included in the mix.

3.6 VBOs trained in running seed and rice bank: A strategy in food security enhancement is to set up under VBOs rice and seed banks to encourage thrift and an orderly way for villagers to make loans and page back the ‘bank’ with interest. In times of hardship, the weakest can have a place to seek assistance from persons whose circumstances they are well acquainted with.

**Strategy**

The project seeks to provide food security to Pa-O ethnic communities residing in ten village tracts in the rural community of Pinlaung Township in the South Shan State. The availability of food, access to food supplies, and the use of and nutritional adequacy of food as dimensions of food security are assessed to be needed in the communities located in Pinlaung Township.

This project response is in line with UNODC’s approved overarching strategy and will contribute to the achievement of security and justice for all by making the world safer from crime, drugs and terrorism, as described in existing UNODC mandates. This project aims to provide sustainable livelihoods to targeted households in the Pinlaung Township (opium farmers and their communities) as described in Result Area 3.4 Alternative Development which comes under Theme Three: Prevention, treatment and reintegra- tion and alternative development.
PART 5. THAILAND
OVERVIEW

The drug problem is one of the highest priority issues on the Royal Thai Government’s agenda. Adhering to the principle that ‘addicts are patients who need treatment, while traffickers need to be punished according to the judicial process’, the Government declared a national strategy of ‘Three Minuses, Three Pluses and Three Focusses’ to address the re-emerging drug problem. It also launched ‘People Alliance against Drugs’ (1 April – 30 September 2008), a new operational plan, launched on 2 April 2008 to deal with illegal drug use, to curb public concern over the drug menace and to ensure an integrated approach by agencies involved in tackling the drug issue. The Government also demanded all relevant provincial authorities take the lead in addressing the drug problem, with a view to intensifying drug control measures across the country. Later the same year, on 3 November 2008, the Government launched the ‘Ninety Days Away from Drugs Operation’, focusing on the special problem areas contributing to the drug epidemic.

Since the Royal Thai Government declared its comprehensive campaign against drugs in 2003, the drug situation in Thailand has improved. In particular, methamphetamine, Thailand’s main drug of abuse, appears to have declined both in terms of supply and demand despite drug production continuing outside the country. Methamphetamine seizures have also decreased remarkably. This decrease over recent years may be attributable to the full attention given to the problem by the Government and the successful and strict control of illegal drugs throughout the country that has forced drug smugglers to limit their illegal activities. Moreover, according to a nationwide drug monitoring system developed in 2005 as an early warning system for emerging trends in drug activities, it is only in some specific areas/groups where unresolved risk factors continue to pose threats to the wellbeing and security of the Thai people.

In 2005—2007, Thailand’s drug situation was not as serious as in the preceding three to four years when illicit drug problems in the country became critical. With intensive efforts of the Thai Government, the extent of drug production, trafficking and abuse in the country had declined. A major difference between methamphetamine trafficking in 2005—2007 and the preceding period can be seen in the volume of transactions and smuggling. Instead of transporting drugs in
large volumes at one time, which runs a high risk of losing a large amount of drugs, drug traffickers hired drug couriers to carry small amounts of drugs at different times and places.

**CURRENT DRUG SITUATION**

**Opium**

In 2007, the total area of land under opium poppy cultivation in Thailand was estimated to be 231 ha, a slight increase from the 157 ha under cultivation in 2006. With an average opium yield of 15.6 kg/ha in 2007, similar to that in 2006, the potential production of opium was around 3.6 tons, a slight increase compared with 2.46 tons in 2006. However, in early 2008, the opium poppy cultivation area increased slightly to 288 ha. With the increase of cultivation areas, the Government had to step up the eradication efforts and around 95 percent of the country’s opium poppy crop was eradicated in this period with a net opium production for only 177 kg remaining. Owing to the successful implementation of the narcotics crop control programme, opium poppy cultivation in Thailand has steadily declined since the first eradication programme was launched in 1984/1985. The key to the programme’s success has been the recognition of the overlap of poverty and illicit crops. Thus, the narcotics crop control programme has been treated as a development issue and integrated into the national social and economic development and highland development plans of the country.

**Heroin**

Thailand is no longer a recognised heroin production country. Yet it is still one of the transit countries for heroin trafficking from the Golden Triangle to the global market. In 2007, the heroin supply in the Golden Triangle continued to decline, while heroin from the Golden Crescent was on the rise. Five to ten kilogram seizures of heroin were common place in 2007. Drug operations during this period indicated that the West African drug trafficking syndicates continued to be involved in international heroin trafficking from the Golden Crescent to the Asian market, particularly China. They often exploited Southeast Asian women as their couriers to transport heroin by air to China via India, Thailand and Malaysia. The increasing threat of heroin trafficking by the West African syndicates led to a number of joint operations among the drug control authorities of Thailand, China, India and Malaysia, which resulted in several successful arrests of syndicate members in each country in 2007.

**Methamphetamine (Yaba)**

The spread of methamphetamine abuse has dropped since February 2003 after the Thai Government’s ‘War on Drugs’ was declared. The yaba most widely abused in Thailand is in tablet form, typically identifiable by a round shape and WY logo. Each tablet generally contains 10 to 25 percent methamphetamine and 60 to 70 percent caffeine. Most methamphetamine found in Thailand has been smuggled into the country via the northern border of the country, mostly for domestic consumption. Following tough interdiction by authorities along this border, small amounts of methamphetamine are now smuggled into Thailand across the eastern borders.

**Methamphetamine hydrochloride (Ice)**

Methamphetamine hydrochloride or Ice is smuggled into Thailand via the Thailand-Myanmar border both for domestic consumption and further trafficking to Malaysia. Evidence suggests that Malaysians, Singaporeans and Japanese are major groups
involved in Ice trafficking. Epidemic areas can be found in entertainment zones in Bangkok and nearby provinces, the southern provinces and tourism-based provinces.

Ecstasy

There is no ecstasy production in Thailand. Ecstasy is mostly trafficked into Thailand from overseas, particularly the Netherlands. Epidemic areas can be found in Bangkok and tourism-based provinces. However, because of the high price, ecstasy abuse remains limited to specific groups such as well-off abusers and those in entertainment areas. Singaporean and Malaysian groups are major syndicates actively smuggling ecstasy from Europe to Thailand via the Thai-Malaysia border. At present, Thai authorities are keeping a close watch on ecstasy abuse due to the rising trend in ecstasy abuse in entertainment areas. However, the prevalence of ecstasy abuse still remains relatively low among the general population.

Cocaine

Cocaine abuse in Thailand is limited to certain groups of well-off abusers and foreigners, and is therefore more often found in private residences and entertainment places. Cocaine is mostly trafficked into Thailand from Latin America by African drug networks. According to drug arrests, cocaine trafficking is often carried out by female couriers, mostly Thai and Philippine nationals, and by concealment in postal parcels.

Marijuana

The continual eradication and suppression of marijuana during the past 20 years has dramatically reduced the amount of marijuana plantations in Thailand. At present, marijuana is smuggled into the country for domestic consumption but also for the international market via the south of Thailand to Malaysia and European countries.

**NATIONAL DRUG CONTROL STRATEGY**

Drug control has been placed high on the national agenda. The drug control strategy of Thailand is based on the principle that ‘addicts are patients who are in need of treatment while traffickers are those who must be punished under the judicial process’, and aims to disconnect drug demand from drug supply.

**Four Main Strategies of Drug control**

(1) **Strategy for Drug Supply Reduction:**
The strategy for supply reduction focuses on law enforcement efforts with the purpose of suppressing drug traffickers. Numerous measures have been carried out to suppress drug trafficking networks including interdicting drug smuggling along the borders, pursuing further investigations, tracing and repatriating assets, imposing tax regulations, controlling precursor chemicals, being on the alert for new kinds of illegal drugs and fully cooperating with relevant countries, particularly neighboring countries.

(2) **Strategy for Drug Demand Reduction:**
This strategy focuses on reducing the number of drug abusers/addicts. In this regard, appropriate treatments are provided to drug abusers/addicts in parallel with aftercare services to help them reintegrate into their own communities and to resume a normal life. Moreover, to ensure that drug abusers/addicts get a second chance at a
normal life, a number of campaigns for establishing a positive attitude in the general public towards drug abusers/addicts have been launched throughout the country.

(3) Strategy for Potential Demand Prevention: This strategy places high importance on a campaign against illegal drugs whose purpose is to raise public awareness of the dangers of drugs and build up immunity against drug abuse. This will ensure that the innocent or high risk groups will not become involved in illegal drugs. To have no new drug abusers/addicts is the ultimate goal of the strategy. Another feature of the strategy is to strengthen villages’, communities’, educational institutions’, and work places’ ability to fight drugs. This is achieved through various programmes organised by relevant agencies to promote and support family networks, drug-free schools, drug-free workplaces, anti-drug youth leaders, life skills learning, anti-drug guidance facilitators and the training of anti-drug trainers. The concept of ‘strong communities against drugs’ is promoted throughout the country as a way to encourage communities’ participation in the fight against drugs and to show the kingdom’s unity in its campaign to combat drugs. In other words, communities will be empowered to protect themselves against drugs.

(4) Strategy for management: This strategy aims to integrate the policy, planning and budget of all agencies involved in the fight against drugs as well as to strengthen every operation centre for combating drug’s (OCCD) ability to implement strategies to fight drugs and monitor and evaluate outcomes of OCCDs’ implementations at all level.

NATIONAL COMPREHENSIVE CAMPAIGN

In 2008, the Government launched the Operation on People Alliance against Drugs (1 April – 30 September 2008) with the aim of reducing illegal drug use and eliminating the threat drugs pose to the well-being of the Thai people. General and specific objectives have been set which must be achieved as part of the plan. The general objective which each province must achieve is a reduction in the number of drug dealers, drug users and risk groups/factors. The immediate objective of the plan requires the relevant authorities to take immediate action to achieve this goal in 25 specific provinces and 240 districts, targeting those people who still commit drug-related activities, namely, the plan’s priority targets.

The ‘Three Minuses, Three Pluses and Three Focuses’ guidelines focus on achieving priority goals, essential to solving the drug problem, namely:

- reducing factors related to the problems of drug dealers, drug addicts and risk youth groups;
- increasing operational levels of anti-drug mechanisms, i.e. the government sector, civil sector, local administrative organisations and channels for the public to take part in drug surveillance; and
- focusing on areas with more serious drug problems than normal i.e. Bangkok and peripheral provinces, southern border provinces, drug smuggling areas along the border and unresolved illegal drug-prone areas.

On 3 November 2008, the Government launched a new campaign against drugs called ‘90 Days Away from Drugs’ focusing on special target groups and reducing drug problems in areas where special circumstances are found. The campaign ran from 3
November 2008 – 31 January 2009 with seven measures as follows:

1. border interception;
2. law enforcement;
3. Treatment and rehabilitation;
4. potential drug demand reduction general public, risk groups, educational institutions;
5. specific areas: Bangkok Metropolitan, southern borders, stricken areas;
6. community and local administration;
7. integrated management: policy, planning and budget.

NARCOTIC CROP CONTROL AND ALTERNATIVE DEVELOPMENT

The Office of the Narcotics Control Board (ONCB) has performed an annual opium cultivation survey since 1979. Since the first opium poppy eradication program was launched in 1984, opium production has decreased from 8,776.64 ha during the 1984/1985 to only 128.53 hectares in 2003/2004 (before cutting opium poppy). The alternative development programme implemented following His Majesty’s initiative on crop replacement and highland development was also an important factor in the continual decrease in opium poppy cultivation up to the present time. It was planned that opium poppy cultivation would be entirely eradicated throughout the country by 2008. However, in the past couple of years opium poppy cultivation has been re-emerging in some areas. When the ONCB began monitoring the illicit opium poppy cultivation situation, it found that opium poppy cultivation had increased slightly due to a number of different factors. The ONCB therefore organised a meeting with the concerned communities, government agencies, non-government agencies and the local administration in order to find a solution to the problem. The resulting plan took a holistic approach to alternative development, drug demand and supply reduction and involved the ONCB cooperating with the Royal Project Foundation, via the Highland Research Development Institute (HRDI), together with the provincial, district and sub-districts authorities and the communities where the opium poppy re-cultivation occurred. It is Thailand’s experiences of this approach which is described here.

The development of highland areas has been a part of the National Economic and Social Development Plan since the inception of the First National Economic and Social Development Plan in 1960. In each national development plan, the main objective of highland development work is to develop the socio-economic conditions of the hill tribes to discourage the community’s involvement in opium poppy cultivation and ensure a favorable state for alternative livelihoods. The Government, throughout the past three decades, has adopted many measures to realise this aim. In the early stages, crop replacement and primary development were the focus of the Government’s policy. When integrated rural development was promoted in the Fifth and Sixth National Plan during the 1980s, the First Master Plan on Highland Development (1992—1996) was formulated with strategies that focused on the eradication of opium poppy cultivation and the improvement of social services in the highlands. The plan’s strategies and approaches were implemented by development projects through collaboration with relevant government agencies.

In the late 1990s, the Government pursued highland development in a more holistic and systematic manner. The Eighth (1997—2001) and the Ninth (2002—2006) National Economic and Social Development Plans stressed the promotion of community par-
participation in planning and decision-making. Special programmes to solve remaining problems and prevent emerging ones, such as the spread of amphetamine-type stimulants (ATS), conflicts over natural resources and permanent settlement, were also introduced.

Throughout the past three decades, apart from financial support from donor countries and international organisations, the Government also provided considerable inputs into highland and alternative development measures. The government contributions, normally implemented through a variety of government agencies in accordance with their mandates, involved both general national development works and contribution to non-government projects and foreign aid projects, ranging from support to highland agriculture and infrastructure construction – including roads, irrigation systems, water supply, and electricity – to the provision of social services, such as education and health care.

Government commitment is another factor in Thailand’s successful narcotics crop control. There is no doubt that efforts made by the Royal Thai Government go in the right direction as they treat the opium poppy cultivation problem in northern Thailand as a development issue and integrate it into the national social and economic development plan of the country. This approach ensures the problem will be addressed on a continual basis through development projects undertaken in the highlands, through financial support and through the provision of basic infrastructure.

As a result of its extensive experience in alternative development work, inspired by His Majesty the King’s establishment of the Royal Project in 1969, Thailand is ready to share its experiences with other countries and to be a learning centre for alternative development. Currently, there are two non-government social institutions playing leading roles in alternative development work in Thailand, namely the Royal Project Foundation and the Mae Fah Luang Foundation.

INTERNATIONAL COOPERATION ON ALTERNATIVE DEVELOPMENT AND ILlicit CROP ELIMINATION

Thailand is a strong advocate of international cooperation on drugs control. In the past, Thailand itself received financial and technical support from many countries and international organisations.

The Royal Project Foundation and Mae Fah Luang Foundation have played a key role in extending Thailand’s alternative development experiences beyond its borders into countries in Southeast Asia and beyond. HRDI has worked with many countries while the Doi Tung Development Project under the Mae Fah Luang Foundation has implemented projects in Indonesia and Afghanistan. The ONCB, in cooperation with the Mae Fah Luang Foundation and the Myanmar Government, has implemented an alternative development project in Myanmar.

At the Twenty-Seventh ASEAN Senior Officials on Drug Matters meeting hosted by the ONCB during 1–2 August 2006, Thailand shared its experience and expertise in alternative development work with ASEAN member countries. On this occasion, the Royal Project Foundation and the Mae Fah Luang Foundation were declared regional centres of excellence able to provide technical assistance and to promote capacity-building activities for interested ASEAN member countries. At present, many countries across the world have come to visit
Royal Project sites under the Royal Project Foundation and the Doi Tung Development Project under the Mae Fah Luang Foundation. Visits have been organised by, amongst others, the ONCB, the Ministry of Foreign Affairs, and UNODC. Recently, at the Fifty-First Session of the Commission on Narcotic Drugs, 10—14 March 2008, Thailand proposed a resolution promoting best practices and lessons learned in sustainable alternative livelihood development. This was highly acclaimed by UN member countries.

DRUG ABUSE SITUATION

A national survey made in 2007 revealed that the number of drug users who used drugs in one year was 575,312 or nearly one percent (0.88%) of the Thai population of 65 million people.

<table>
<thead>
<tr>
<th>Type of Drugs</th>
<th>No. of Drug Users</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kratom</td>
<td>378,214</td>
<td>65.74</td>
</tr>
<tr>
<td>Methamphetamine</td>
<td>66,320</td>
<td>11.53</td>
</tr>
<tr>
<td>Cannabis</td>
<td>57,527</td>
<td>10.00</td>
</tr>
<tr>
<td>Volatile</td>
<td>48,849</td>
<td>8.49</td>
</tr>
<tr>
<td>Ecstasy</td>
<td>15,215</td>
<td>2.64</td>
</tr>
<tr>
<td>Heroin</td>
<td>3,907</td>
<td>0.68</td>
</tr>
<tr>
<td>Opium</td>
<td>3,059</td>
<td>0.53</td>
</tr>
<tr>
<td>Ice</td>
<td>2,220</td>
<td>0.39</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>575,312</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

DRUG DEMAND REDUCTION

Treatment and rehabilitation is carried out continuously in Thailand. Drug abusers and addicts are considered to be ‘patients’ who should be provided with appropriate treatment and rehabilitation. Drug addicts and abusers are encouraged to report themselves to the authorities for further treatment and rehabilitation provided through different schemes. These drug abusers and addicts are classified before entering the treatment and rehabilitation system. The self-reported drug abusers are sent to behaviour adjustment camps run by relevant agencies while the self-report drug addicts are placed into the voluntary treatment system. Vocational training is provided to those who have already undergone treatment and rehabilitation. This is based on the ‘help them to help themselves’ concept, providing them with alternative skills which will help them to avoid returning to a life of drugs. Aftercare services are also provided to assist them reintegrate into their communities.

Thailand’s approach to controlling drug abuse is to separate drug abusers and addicts from illicit drug suppliers. Public psychological operations are conducted to encourage drug abusers and addicts to voluntarily apply for treatment and rehabilitation services. The rehabilitation programme also facilitates their reintegration into their communities with dignity and prevents their return to addiction by creating an anti-drug environment.
The Royal Thai Government always tries to improve the treatment and rehabilitation process by expanding drug treatment centers and establishing more temporary treatment centres by using, for example, temples or military camps. The Wiwatponlamuang Programme, one of the country’s compulsory treatment programmes, is aimed at rehabilitating drug addicts and reintegrating them into society. It is progressing well now with increasing numbers of addicts entering the programme from both the voluntary and correctional systems.

Methamphetamine remains the main drug of abuse. In 2008 (January—September), the majority of drug addicts applying for treatment were methamphetamine addicts (41,118 persons or 82 percent of the total number of drug addicts – 50,105 – who applied for treatment). Most of the patients are between 15 and 24 years of age.

| Statistics showing number of addicts who undergo drug treatment classified by types of drugs (2003-2006) |
|---------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Type\Year | 2003 | 2004 | 2005 | 2006 |
| Methamphetamine | 206,795 | 21,634 | 30,585 | 31,500 |
| Heroin | 5,814 | 2,452 | 1,652 | 1,460 |
| Marijuana | 22,991 | 3,701 | 3,592 | 4,540 |
| Opium | 10,724 | 2,116 | 1,326 | 1,320 |
| Inhalant | 5,139 | 1,904 | 2,149 | 2,447 |
| Others | 10,119 | 2,589 | 2,107 | 1,789 |
| Unidentified | 54,286 | 452 | 153 | 100 |
| Total | 315,868 | 34,848 | 41,564 | 43,156 |
The Royal Project Foundation: Towards Sustainable Highland Development

Presented by Mr. Suthat Pleumpamya, Director of Development Department and Director of Highland Research and Development Institute, The Royal Project Foundation.

HISTORY

Before the Royal Project

In the late 1960's, the mountainous upper north of Thailand was plagued with poverty, deforestation and opium production. The upper north of Thailand contains nine million hectares of hills, mountains and upland plateaus. For most of the last century, it was a place where two waves met, one coming from the north and one coming from the south. From the south came ethnic Thai farmers, in search of new land to farm. From the north, from the other side of the border, came people of the many ethnic groups from the great mountain range running through Thailand, Laos, Myanmar, Southern China and Vietnam. The ethnic Thais came to fill the flatter land in the lower north and around the foothills of the upper north. The mountain people, or ‘hill-tribes’, settled further up the hills, each wave settling a little higher than the one before.

The hill-tribe people brought with them their own languages, cultures, customs and farming. Traditionally, all of the hill-tribes practised a version of what is called ‘slash-and-burn’ cultivation, or ‘swiddening’. This is a system for farming sloping land in which trees are cut down and then burned, so that the land, fertilized by the ash from the burned trees, can be farmed. In this way of farming, the fields can only be farmed for a very short period of time, and then must be left for long enough for the tree cover to return. However, as the hill-tribe population grew larger it became less common for the fields to be left long enough for trees to return. The result was that the mountains and hills of the highlands started to become bare of trees. The bare areas would then start to lose their fertile layers of soil to the wind and rain, and become infertile. These areas would become dry, and lose their ability to channel rainwater down towards rivers. This process could lead to rivers lowering or even drying up completely, something that would do great damage to the many people whose lives depended on these rivers.

The loss of the highland forests was one problem. A second problem was that, in general, the hill-tribe people lived in terrible poverty. A typical hill-tribe community was hours’ or days’ travel by dirt track from the nearest good quality road. Few had schools or access to modern medicine. Few communities had sufficient farmland to grow enough food to eat, and most were too far from larger towns to sell cash crops.
Lack of education, lack of proper shelter, low temperatures, polluted water and malnourishment combined to make serious diseases a permanent part of hill-tribe life. And because the highland population was growing, good farm land was becoming harder to find and food harder to produce.

A third problem was that one of the crops produced by swiddening, or ‘slash-and-burn’ agriculture, is the opium poppy, which is the source of heroin. The opium poppy had been grown for centuries by the hill-tribes. They would cook the resin of the opium poppy and then either smoke or eat it to provide medicine or, for a very small number of users, recreation. This situation changed in the 1960s, when the north of Thailand became a trafficking route for opium produced in Myanmar to reach Bangkok and the rest of the world. The flow of opium and opium traffickers helped to turn a small cottage industry into a major cash crop.

Opium has been smoked for medicinal purposes for centuries.

By 1966 the hill-tribe people were thought to be producing more than 150 tonnes of opium every year. This would produce a prodigious amount of opium and heroin for addicts, stretching all the way along the trafficking route from the farmers’ villages to the cities of rich countries such as the United States of America. Opium production did not help many farmers to become richer – the price paid to farmers for opium was very low and almost all of the income from the business was earned by the criminals involved in trafficking and distribution. By the late 1960’s the highlands had a population of around 250,000 hill-tribe people, mostly from the Karen, Hmong, Yao, Akha, Lahu and Lisu ethnic groups. They were almost all very poor, and because of the growing hill-tribe population, they were removing trees from the hills and mountains at an increasing rate. The opium farmers amongst these groups were producing between 150 and 200 tonnes of opium per year. But whether opium farming or not, these people were very, very poor. It was a humanitarian, social and environmental crisis.

King Bhumibol’s Highland Visit

King Bhumibol Adulyadej has reigned in Thailand since 1950. For much of his reign, he spent eight months of every year traveling to the poor rural areas of Thailand. These visits were used to learn about the problems faced by poor people and to devise solutions to these problems. However, in the 1960s it was very difficult for the King to travel in the upper north. The very poor road access made it difficult to reach hill-tribe villages. Some parts of the north were also under the control of anti-government rebels such as student dissidents and communists.

The problem was solved in 1969 when the King learned of an opium-growing hill-tribe village called Doi Pui that would be easy and safe to visit. Doi Pui was just one hour’s walk from the King’s palace near the northern city of Chiang Mai. King Bhumibol went to Doi Pui, and there he learned something that would change the course of Thailand’s history. He learned that the
opium farmers were also growing a kind of peach that earned them more income than the opium poppy. This was possible for two reasons. First, because the peach is a temperate fruit that cannot be grown in the lowlands and therefore gets a very good price when taken to the lowlands and sold. Second, as the King realised, very little of the profits that are earned in the opium and heroin business are made by the farmer – most of the profits are captured by various ‘middle men’, like the traffickers and wholesalers.

The discovery of the peach trees at Doi Pui led to the concept for the Royal Project. King Bhumibol realised that the hill-tribes could grow peach trees instead of opium and their other highland crops. This would stop them from using the ‘slash-and-burn’ method and would even lead to them replacing trees that had been removed from the highlands. Growing peach trees instead of opium would actually increase the income of the opium farmers, especially if the size and quality of the peaches could be improved. A final advantage would be that families would stop moving around, looking for new swidden fields: they would stay near their peach orchards, allowing the farmers to build better settlements. The problem of poverty, deforestation and opium could be solved at the same time.

FOUNDING OF THE ROYAL PROJECT

The Early Years

Almost as soon as the King had the concept of the Royal Project he set about turning it into reality. To do this, he assembled staff, fruit trees to test, places to test them, and a project leader, who could manage the project for him. The first research staff to join were agriculturalists from Kasetsert University, later joined by agriculturalists from Chiang Mai University, Maejo University and international researchers. Fruit trees were donated by many countries with cool climates, or with mountainous areas, including England, France, West Germany, Iran, Italy, Israel and Lebanon. The leader of the Project was to be the King’s friend Prince Bhisatej Rajani (who is still chairman to this day).

The first location for the trials was land at Doi Pui, purchased by the King for Kasetsert University. The second was at the mountain Doi Ang Kang, one hundred and eighty kilometers away from Chiang Mai, where opium poppy had been flourishing for some time. The King had visited the area, observed the poppy fields and wide swathes of missing trees, and realised that the area would be a very good place to develop the new agricultural technology that would be used in the Royal Project. He purchased a large plot of land there, which became the site of the Royal Ang Kang Agricultural Research Station. The station became, and remains, the largest of the Royal Project’s research stations, and shares Prince Bhisatej’s longevity: it, too, is still going strong after more than three decades at the heart of the Royal Project.

The first round of tests started in 1969 when researchers planted peach trees from Japan in the test areas. These trees did not bloom. To help them understand why, the King asked for help from Taiwan, specifically from their Vocational Administration Commission for Retired Servicemen. The Commission obliged and sent their fruit-tree experts to visit the Royal Project. The Taiwanese experts suspected that the Thai mountain climate was not cool enough for the Japanese peach tree. They provided varieties of peach, plum and pear from low-lying Taiwanese mountain fruit farms, where the climate was similar to the climate
of Thailand. The fruit trees from Taiwan flowered and bore fruit.

Taiwan has supported the Royal Project ever since, making it one of the two most important foreign donors for the Royal Project. The other one is the United States of America’s Department of Agriculture’s Agricultural Research Service (ARS). ARS approached the Royal Project in 1973, expressing an interest in funding research into crops that could be grown as an alternative to opium poppy. Through the Royal Project, they were able to fund eighty projects between 1973 and 1983, mostly done by agricultural universities and government agencies.

During the first eight or nine years of the Royal Project the main activity was research. However, there were also many people engaged in what is called ‘development’, for example providing health and education, and building infrastructure, such as roads and irrigation. The King himself was one of the most active, traveling extensively in the highlands, encouraging farmers to try new farming methods, asking his doctors to treat the sick and giving out iodine salt or chickens.

In the first few years there was almost no infrastructure in the northern highlands. Equipment had to be carried by hand, pack animals or by helicopter, and Royal Project staff slept in tents while on site. At first, the Royal Project did not even own vans or crates for moving produce. Basic roads were built but they were poor quality and tended to be swamped in mud during the rainy season. Even something as simple as moving produce from farms to collection points in the villages became difficult when the muddy soils became waterlogged.

The Development Centers

In 1977, the Royal Project changed the way that it approached its field work. It started to build permanent bases for its field work up in the mountains, called ‘development centres’. Each development centre had a demonstration farm to allow farmers to study and be trained in new farming methods developed by the researchers. It had a food storage and collection area, small offices and meeting rooms. These centres also allowed the various agencies working in the surrounding area, such as the Department of Irrigation, Royal Forestry Department and the various research organisations to get together and coordinate their activities.

The first development centre (other than Ang Kang, which is also a research station) was Tung Rao, opened in 1977. For the next eight years, three to five centres were opened every year, until by 1985 there were 31 development centres. In the 21 years since then, only another six centres have been opened, so 1977—1985 can be thought of as ‘the development centre boom’.

Every development centre is slightly different, but all of them were set up by following roughly the same process. Prince Bhisatej describes the process as having five interlinking circles, something like the emblem of the Olympic Games. The first circle is ‘land-use planning’, starting with a survey of the soil and water available in the area. Soil which was infertile, too thin or lying on very steep surfaces would be allocated to replanting forest, while more fertile land would be allocated to farming. The second circle is ‘reforestation and soil conservation’. In this circle, areas unsuitable for farming would be reforested and in the remaining areas special systems would be set up to help to control erosion. The third circle is ‘research extension’, meaning the
introduction of new crops to farmers. Farmers would be given training in planting, harvesting and caring for the new crops that had been developed by the researchers. Prince Bhisatej includes provision of education and health in this circle. The next is ‘post-harvest process’, which is the handling, cleaning, packing and storing of food grown in the development area. The final circle is ‘communication’, which is mainly building roads.

The King had instructed all of the organisations involved in the development of the Thai highlands, including the army and the police, not to destroy any poppies until farmers could earn a good income from the new crops. So at first the development centers did not pay much attention to whether or not the nearby farmers grew opium poppy – they concentrated only on promoting the new crops. Members of the Royal Project, sometimes the King himself, would ask the farmers to try the new crops. Some farmers, the most adventurous and entrepreneurial, would agree. Once the crops were grown, the Royal Project would sell the crops in the market on behalf of the farmers, giving them a 20 percent cash advance (and deducting something for the costs of transportation, and so on). Farmers producing and selling the new crops would be very successful, and other farmers would want to join in. After three to five years all of the community would be growing the new crops. The Royal Project would then ask the village to make a formal promise to give up opium farming for ever, which the farmers would be happy to do.

This is what happened at the development centre of Mae Hae, which was opened in 1978. At the time it supported around 180 families. The Royal Project asked the farmers there to grow fruit trees and vegetables instead of opium, offering them help with the farming and selling process. Uptake was slow at first, but became very quick once the farmers saw how much money could be made: In 1981, for example, selling vegetables gave farmers an income around three times higher than that obtained by selling opium. Even though a lot of produce was damaged or destroyed during transport, especially during the rainy season, the new crops were appealing to the farmers. They began planting fruit trees where there used to be opium. In 1982 alone, more than a third of the total poppy land had been converted into orchards. Within four or five years the entire area was free of poppies.

King Bhumibol himself was tireless in encouraging farmers to try the Royal Project’s new crops. Prince Bhisatej sometimes tells the story of how one hill-tribe farmer grafted three peach trees, and how the King walked for one hour in order to see them. “Everyone said that it was very tough on the King to walk for one hour to see three plants,” says Prince Bhisatej, “but the King understood that if he went there it would show that he was interested. That is good promotion for the plants.” On another occasion King Bhumibol visited the Khun Pae Development Centre, where he sat with the farmers for two and a half hours discussing their problems with water and their ways of farming, reviewed maps of the area and consulted with officials from the irrigation department. As a result of this process he made a detailed plan to improve the water resources of the area, including the construction of weirs, irrigation channels, storage tanks and a reservoir. The system allowed the farmers to grow rice twice a year instead of once a year, improving farmers’ food supply and winning their enthusiasm for joining in with the Royal Project.
Better Organisation

As the Royal Project became larger and more complicated throughout the 1980s, more and better organisation was needed. The development process was already becoming more organised through the opening of development centres. In 1985, this extended to the Royal Project’s marketing activities. It was in that year that the Royal Project opened a marketing department in Kasetsart University, with the task of buying produce outright from the farmers in the development areas, and selling it in markets and to large buyers in Bangkok and Chiang Mai. The Royal Project also created the ‘Doi Kham’ (‘Golden Mountain’) brand, using it as a brand not only for produce, but for the Royal Project’s own retail stores.

The Doi Kham logo indicates quality agricultural products produced by the company established under the Royal Project.

A few years later, in 1988, the Royal Project was able to address the serious problem of food being damaged and destroyed while being moved from the fields (what agricultural experts call ‘post-harvest losses’). This problem was serious enough that, in the hot, damp rainy season, as much as half of a farmer’s crop could be lost. In a large, two-year initiative, the Royal Project, with the help of experts from the United Nations, developed a new and improved process for harvesting, storing, packing and transporting all produce grown by the hill tribes in the Royal Project’s development areas. The Royal Project also purchased a large amount of equipment and machinery: a packing house in Chiang Mai; cold storage in Bangkok; refrigerated trucks of different sizes; and five collection centres up in the hills, all with special cooling and packing equipment. This equipment allowed food grown by the farmers to be cooled quickly after harvest and kept cool all the way to Bangkok, or wherever it was finally bought. Thanks to this system, the loss of half the farmers’ crops in the rainy season became a thing of the past.

The largest change in the Royal Project’s history occurred in 1992, when many of the most important activities of the Royal Project were brought under the umbrella of a new ‘Royal Project Foundation’. The Royal Project Foundation was created to carry out three activities on behalf of the Royal Project. First, to manage all research into highland development and highland agriculture. Second, to continue Thai highland development by managing the existing development centres and sometimes opening new ones. Third, to continue its marketing, buying produce from the hill-tribe farmers and selling it in the lowlands. The Foundation was given permanent annual funding by the Thai Government, and Prince Bhisatej was appointed its chairman.

The Royal Project Foundation is just one of the organisations involved in the Royal Project, albeit probably the most important one. Other organisations are involved, including the agricultural universities, foreign donors and many government ministries, such as the Ministry of Agriculture and Cooperatives, and the Ministry of Public Health. Each of these ministries has many departments working in the Royal Project’s development areas, opening schools, building roads, developing land, providing doctors, and so on. Coordinating all of these departments with
each other and with the Royal Project Foundation was and is a complex task, and so at the same time as the Royal Project Foundation was created, and several parts of the government were reorganised. A cabinet committee, chaired by the Prime Minister, was created to liaise between the board of the Royal Project Foundation and the various government ministries. The Ministry of Agriculture opened a new bureau, the Bureau of Highland Development, which reported to these committees, and liaised between individual regional and provincial government departments and the Royal Project Foundation office. When it became time to initiate a new project in the hills, it was the Bureau that would organise working groups with staff from all of the relevant groups and agencies to carry out the project.

**Expansion**

By 2007, the Royal Project supported more than 142,616 people living in the highlands, through 38 development centres. Although a very large project by any standard, there remained about 90 percent of the population of the highlands who were not being supported by the project. Most of these farmers were poorer than the farmers living inside the Royal Project. To address this, the Royal Project Foundation and the Thai Government initiated the ‘Royal Project Extension Plan’, in 2006. Under this project, farmers outside the development areas would be helped to adopt some of the farming methods developed by the Royal Project.

To help the Royal Project Foundation carry out the extension plan, one final organisation restructuring was carried out. Fourteen years of working with the Royal Project Foundation and all of the government ministries and departments had given the Bureau of Highland Agriculture Development a lot of knowledge and experience of highland development and of the Royal Project, and so the bureau was chosen to help the Royal Project Foundation with the extension programme. To help further, the Bureau was transformed into an independent public organisation, with more resources, more staff and more flexibility. This new organisation, the Highland Research and Development Institute (HRDI), continues all of the Bureau’s work, as well as being the Royal Project Foundation’s main partner in the initiative to extend the Royal Project into other parts of the Thai highlands.

The expansion programme focuses on applying the Royal Project achievements to helping poor farmers in 24 former and vulnerable areas of illicit crop production in seven provinces. In addition, a community learning network has been strengthened in 180 villages of 12 provinces aiming to disseminate the Royal Project knowledge through an informal education scheme. Internationally, the Royal Project has launched technical cooperation with Bhutan, Colombia and Afghanistan, sharing best practices on alternative development and sustainable highland development. The international cooperation programme comprises of training of personnel in agriculture production and marketing and consultancy for technology.

**THE PROGRAMMES**

Like the Royal Project Foundation, the activities of the Royal Project can be divided into research, development and marketing. Research focuses on discovering and testing better crops and farming systems, development on improving the living conditions and farming of the hill-tribe people, and marketing on selling their produce in the market-place.
Research

Most of the crops grown by the farmers living in Royal Project development areas do not naturally grow in the Thai highlands. They have been taken from countries with cool climates, or sometimes the mountainous areas of countries with hot climates. The chances of being able to pick a plant at random from a cold country and take it to the Thai highlands and grow it successfully are, however, very small. Plants, and even the different varieties of the same plant, like different temperatures, different types of soil and different amounts of sun and rain. The likely outcome of the first try is that the plant does not grow well. Research must be carried out to find a solution, such as changing the time the plant is grown, treating the soil in some way, moving the plant to a different part of the Thai highlands or perhaps trying a different variety of plant. There are always disease problems to be solved.

Considerable research is conducted into crop species before new crops are introduced as a source of alternative income.

Any attempt to adapt a plant to a new environment is likely to go through long cycles of testing and searching for solutions. Over more than three decades, the Royal Project has done research like this on many types of fruit, vegetables, herbs, field crops, flowers, tea and coffee, leading to more than 150 of these crops being grown by the farmers. Recently, research has started to focus on livestock and fish as well.

A lot of the research done by the Royal Project has focused on managing and conserving precious highland resources such as soil, water and forest. A basic but very important task for all highland farmers is stopping the wind and rain from carrying away the fertile topsoil from the sloping land that they farm. Royal Project research has found that the Vetiver grass (*Vetiveria zizanioides*) is incredibly effective at doing this: planted in rows along the hill-side, its deep roots capture soil on its way downhill. Research is also done on maintaining the fertility of the soil, for example through using organic fertilizers and plants that return useful chemicals to the soil.

Research on water has found the best ways to keep water in the soil and the most efficient way to use irrigation water. Forestry research has found varieties of trees from cold countries that grow quickly in the highlands and are more resistant to forest fires.

Royal Project research also addresses issues about marketing and selling crops. The right way to handle, pack and transport crops can be a difficult, technical problem: cut flowers, for example, need to be treated with a chemical to stop them blooming before they get to the stores of flower-sellers. Processing methods, such as ways to turn pumpkin into pumpkin chips, or ways to turn strawberries into candy, have to be developed and tested. Research is also done on how the Royal Project manages its marketing process, to find out ways to make it more efficient.

When we look to see who actually does this research, we get a very good view of the number of different organisations that col-
laborate with the Royal Project. Over the last two decades or so, by far the largest contributor of research has been Chiang Mai University, which has carried out more than 230 projects. The Royal Project Foundation has conducted over 100 and Mae Jo University about 90. Kasetsert University has carried out around 60, and the Ministry of Agriculture and Cooperatives nearly 30. Many other organisations, such as Khon Khaen University and Mahidol University, have also done work for the Royal Project.

Most of the research done for the Royal Project takes place at one of the four Royal Project research stations, Ang Kang, Inthanon, Pang Da and Mae Lod. Each of these has plenty of agricultural land for testing new varieties of crops and new methods of growing them, and accommodation for researchers to stay in. Once a new crop or method has been successfully developed it can then be moved to the demonstration farms of one or more of the development areas.

**Development**

Land use planning is the very first step taken in a Royal Project Development Area. To do this, staff from the Royal Project and the Ministry of Agriculture take a survey of the types of land and soil in the area, then determine what sort of activity each area will support. Steeply sloping land is usually used either for replacement forest or for fruit trees. Flatter land is usually used for other crops, such as vegetables and flowers. Places have to be chosen to build storage, roads, small ponds and reservoirs for water.

Once the use of the land has been planned, the long task of land development begins. Small roads are built from nearby villages and farms to the Development Centre so that farmers can deliver their produce to the collection areas there. Small reservoirs, ponds and irrigation systems are built to store and deliver water.

Sloping land that is not covered in trees is terraced, a process by which the slope is turned into a series of ascending steps, like a staircase, helping to stop soil from being carried downhill by wind and rain. This can be done by both natural and mechanical means, but Royal Project staff use both: mechanical barriers are built along the line of slope, and then reinforced with hedgerows of the deep and densely-rooted Vetiver grass.

At the heart of the Royal Project’s development programme is ‘agricultural extension’, the process of introducing new and improved crops and farming methods to local farmers. The Royal Project has introduced (or ‘extended’) more than 150 crops to the hill-tribe farmers in its development areas since it started. The crops it has introduced include fruit trees (including the peach, persimmon and pear), vegetables (including the cabbage, lettuce, carrot and broccoli), flowers (including the chrysanthemum and rose), cereals (such as wheat and corn), herbs (including parsley, mint and lavender), beans, (including kidney beans and soybeans), tea, forest plants and Arabica coffee. All of these crops come from either temperate or semi-temperate climates, much cooler than the lowlands of Thailand, and none were farmed in Thailand before the Royal Project introduced them.
A small area of land around each development centre is used as a demonstration farm where new crops are grown by Royal Project experts. The farmers in the Development Area can then visit the demonstration areas to see the crops being grown. The visiting farmers are given training in how to grow the crops and advice about how to deal with any problems that they have once they start growing the new crops. Training is given to the farmers by experts on particular kinds of crops, such as vegetable specialists, and experts on particular topics, like organic cultivation or disease control. Some of the crops are very difficult to farm, but most of the former opium farmers agree that the new crops are fairly easy to grow compared to the opium poppy.

The Royal Project supports more than 3,000 households, each with their own farmland hidden away in the highlands. Because these farms are small and remote, the food that the farmers grow is very expensive compared to food produced on larger farms that are closer to cities, roads and airports. To help farmers overcome the disadvantage of this high cost, the Royal Project helps the farmers living in its development areas to adopt food safety standards. These standards let consumers know that the produce grown under them is safe to eat, and allow farmers to charge a much higher price. This makes consumers less likely to compare the price of food produced under the food safety standards with the price of produce from much larger farms, which is usually not produced in the same way. The two food safety standards introduced by the Royal Project are the Good Agricultural Practices (GAP) standard and the Organic standard.

GAP is a food safety system where farmers are allowed to use chemicals like pesticides, but are only allowed to use safe ones, and have to control how much they use. To get the GAP certificate, farmers have to keep all their agricultural chemicals properly stored and labeled, and have to keep records of when they spray their crops, which chemicals they use and how much. Farmers are assessed every month and lose their certificate if they spray wrongly or do not keep their records properly. This is challenging for the many older farmers who cannot read or write, but with simply designed forms and the help of youths and children, all of them manage. In 2007, the Royal Project had helped more than 5,189 farmers in 38 development centres to get GAP certification, around 90 percent of all farmers in the Royal Project.

Organic farming is a more difficult food safety standard for farmers to use. Under this standard, farmers are not allowed to use any agricultural chemicals at all. Instead, farmers must use natural methods to maintain the quality and fertility of the soil and deal with crop pests. This can involve activities such as using manure and compost, using ‘natural predators’ to attack insect pests and treating the soil with special fungi and bacteria that attack pests. Organic farming usually saves the farmers money because they do not have to buy agricultural chemicals, but the farmers have to work harder and have to be more skilled.
As well as saving on agricultural chemicals, the farmer also gets a much higher price anything from 20 to 80 percent higher than normally farmed food. The environment also benefits in many ways from farmers using the organic method. The Royal Project has been teaching both the record keeping and the technical skills to farmers who are new to the Royal Project.

One of the most important things that the Royal Project does in the highlands is to help the hill tribes look after the forest. The hill-tribe farmers grow a lot of fruit trees on the hill-sides. This keeps the hill-sides covered permanently with trees, and also makes them less prone to forest fires, as the fruit-tree orchards are usually irrigated. Villagers also have their own forestry groups, who make sure that no one cuts down trees in the watershed areas, educate young people about forestry and organise defenses against forest fires, such as building ‘fire breaks’ (gaps in the forest so that the fire cannot spread). The farmers also have a programme called the ‘Villager Forest’ programme, which allows them to plant trees outside the watershed to use for construction and firewood.

The ‘Villager Forest’ programme was inspired by King Bhumibol’s theory of ‘three types of wood for four types of uses’ - the theory that if people are allowed to grow trees for fruit, firewood and construction they will ensure that the watershed areas are covered in trees. To allow people to do this, Royal Project researchers developed different varieties of fast-growing trees from Taiwan that are good for various different uses, such as building, firewood or making furniture. The villagers participating in the programme are allowed to cut down trees outside the watershed area, provided that they plant new trees to replace the ones that they use. From 1991 to 2003, villagers participating in the project had planted more than 900,000 saplings, about 560 for every household, every year.

The Royal Project does not just work in improving the hill tribes’ farming; it also works to make their societies stronger and healthier. The Royal Project encourages people to form groups to address shared problems. For example, farmers’ groups or agricultural cooperatives can share information about farming, plan their production of crops and pool their savings and loans. Special attention is paid to minority groups such as women, young mothers and youths. Young mothers’ and youths’ groups allow members to help each other learn about and solve common problems, such as children’s health, or career development. The Royal Project works with the Ministry of Health to ensure that everyone in the development areas has access to government-funded health care, and also arranges for volunteer doctors to visit hill-tribe villages. As well as providing medical treatment, the Royal Project provides health-care education. Often working with community groups, the Royal Project helps people to learn about primary health care, women’s health and HIV/AIDS. The Royal Project has also helped communities to set up their own programmes for treating drug addicts.

A lot of what the Royal Project does can be called ‘informal education’, for example, training in new kinds of agriculture, drug addiction treatment methods or primary health care. But the Royal Project also helps to provide formal education through schools, colleges and universities. All the villagers can send their young children to a nearby primary school free of charge. After primary school is completed, most children are sent to secondary school in a nearby, larger town. For the very few families who cannot afford it, children can either be given secondary schooling in their local pri-
mary school, or are given scholarships by the Royal Project Foundation. These scholarships are also available to children and youths wanting to go to colleges or universities.

The Royal Project also helps the hill-tribe people, especially women, to earn money from handicrafts such as embroidery, clothing and jewelry. This helps families to earn more money and makes them less dependent on the income that they earn from farming, which goes up and down with the weather, seasons and market conditions. The Royal Project helps people in the development areas to improve their skills in making handicraft, for example helping them to design and sew their clothing more skillfully. It also helps people to make better handicraft businesses, for example helping them with their book-keeping and marketing.

Finally, the Royal Project is also encouraging tourists to visit Royal Project development centres, helping the local people to earn money from entry fees, from selling handicrafts, food and drink, and from wages for guides and shopkeepers. Ang Kang has been a very successful tourist attraction for a long time now, with beautiful scenery, nature trails, gardens and other attractions, along with a luxury hotel and several guest houses. The Royal Project is helping other development centres to catch up with Ang Kang.

Marketing

As well as doing research and running development projects, the Royal Project Foundation is also a sort of ‘not-for-profit’ food business. In 2007, the total value of the Royal Project products sold through its marketing channel was $15.7 million. Each year, some of the farmers in the development areas agree to sell produce to the Royal Project’s marketing division at a fixed price. The farmers grow the produce, sell it to the Royal Project Foundation, and then the Royal Project Foundation sells it to wholesalers, supermarkets, restaurants, and to retail customers through its own Royal Project (formerly called ‘Doi Kharn’) branded stores. Only about half of the produce grown by the farmers is sold in this way, and many of the richest farmers prefer to sell their crops themselves, but for many, especially the poorer, the marketing division is an invaluable way to sell.

Produce is carefully graded before being packaged as high quality products under the Royal Project brand or sold for processing etc.

The marketing process starts with the agreement between the Royal Project Foundation and the farmer, which sets the amount of the crop that the farmer will sell to the Royal Project and the price of the sale. Once the crop is harvested, it starts the long journey to the customer. First, the produce is sorted and cleaned, and excess leaves are trimmed. The produce is divided into different quality grades, and is packed into boxes. Then it is delivered to one of the five development centres that have cold storage facilities, where it is collected by refrigerated trucks and delivered to the main packing house in Chiang Mai. In the packing house, all the produce is checked for quality and quantity, trimmed, washed
and graded again. The low grade produce is either processed into snacks and drinks, etc., or is sold to markets without the ‘Royal Project’ brand. The highest quality produce is packaged with ‘Royal Project’ labeling, and then sent to Bangkok, Chiang Mai and other locations in Thailand. The marketing division is also increasingly selling Royal Project produce in foreign markets.

A lot of the Royal Project produce is either organic or produced under the Good Agricultural Practices standard and this adds more stages to the distribution process. Under the GAP standard, farmers have to test their produce for chemical residue when they are harvested, and this happens again at the development centre and again at the packing house. Food also has to be handled separately from other food that is not GAP, and different tools and equipment have to be used. Potential opportunities for contamination are carefully monitored and controlled. Organic produce, too, has to be handled separately from other food, including GAP food. Both organic and GAP food have to be labeled, and with organic food there are also many types of packing and labeling materials that are forbidden.

The packaged Royal Project food has several different destinations. There are the Royal Project stores, which can be found in Bangkok Airport, Chiang Mai airport and many other locations around Thailand. ‘Royal Project’ produce is available in supermarkets and other food retailers. Many hotels and restaurants buy Royal Project produce, including European restaurants looking for produce such as asparagus or artichoke that they would otherwise have to export from Europe. Some other businesses that do a lot of catering, such as airlines, are also Royal Project customers.

ACHIEVEMENTS

The Royal Project has achieved amazing things. Opium has been completely removed from the Royal Project’s development areas in a way that has provided a model for the rest of Thailand, and even the world. Families’ incomes have been increased from almost nothing to levels that compare well with the average farmer in Thailand. Deforestation has been stopped and environmentally safe forms of farming have been pioneered.

Opium Elimination

Opium is not produced in the Royal Project development areas at all. The farmers voluntarily agreed to stop producing opium many years ago when the crops that the Royal Project introduced earned them a better and legal income, in many cases within four to five years of the Royal Project’s arrival in a new area. This is a remarkable achievement: given that Thailand was the world’s third-largest opium producer when the Royal Project started, and many of the Royal Project’s development centres were opened in major areas of opium production. The Royal Project established the model of the development-lead drug crop replacement. Before King Bhumibol visited Doi Pui, people in Thailand and all over the world thought that opium farmers were criminals and should be dealt with by the army or the police. King Bhumibol realised that opium was grown mainly because farmers were so poor, and that better farming alternatives would eradicate opium more effectively than the army or the police. But not only did King Bhumibol realise this, he set out to prove it through the Royal Project. By establishing the Royal Project and getting the support of so many people and organisations in Thailand and the international community, King Bhum-
bol got national and international accept-
tance for the idea of eradicating opium
through development. This lead to hun-
dreds of opium replacement projects being
started in Thailand by international organi-
sations, foreign development organisations
and NGOs. Ultimately, opium almost com-
pletely vanished from Thailand — falling
from about 200 tonnes of opium per year in
1970 to just a few tonnes in the early 2000s.

It is widely agreed that Thailand’s pro-
gramme to replace opium with legal crops
is the most successful programme of its
kind in the world. The approach has been
tried in many other countries, including
Laos, Myanmar, Vietnam, Pakistan and Af-
ghanistan, and has also been tried as a way
of getting rid of coca (the source of the drug
cocaine) from Peru, Bolivia and Colombia.
In each of these countries there has been
some success, but none of them have been
able to get farmers to voluntarily reduce
their level of drug-growing by so much,
while being able to create a new agricul-
tural system that is as strong as the one in
northern Thailand. The Royal Project pro-
vided the model for Thailand’s alternative
development, and also provided many of
the successful crops that were used as alter-
 natives to opium, such as Arabica coffee.
For this reason the Royal Project is one of
the main reasons for Thailand’s remarkable
success.

Poverty Eradication

The farmers in the Royal Project are far bet-
ter off than they were before the Royal Pro-
ject was established. When the project was
initiated, the majority of families had little
or no cash income. Even if they did have a
small cash income, their lives were still full
of hunger, disease and crippling hard work.
The only medicine available to most was
opium, and very few went to school, or
could read and write. By the year 2000, the
average farmer in the Royal Project had
achieved an average income of about 60,000
baht per year (about US$ 1,500), almost
double the average highland farmer work-
ning outside the Royal Project and about sev-
enty percent of the average income for a
farmer in Thailand. Remembering that the
national average includes larger, richer
farmers, and the Royal Project farmers have
come from nothing, this is an outstanding
achievement. And the hill-tribe families
also enjoy health care and schooling for
their children.

Although there are many reasons for this
excellent increase in the income of families
living in the Royal Project areas, one of the
main reasons is that the crops introduced
by the Royal Project usually produced
much better incomes than opium did. This
is because, as King Bhumibol realised, the
farmers of opium do not keep much of the
profit from producing opium — most of it
goes to the middle man. So even though the
price of opium is very high for one kilo,
when we see the amount of opium that can
be produced from a given field, the income
from opium is much lower than many
Royal Project crops.

Environmental Conservation

The Royal Project’s achievements in con-
serving the environment are threefold: pre-
venting the destruction of tree cover; re-
placing lost tree cover; and finding new,
more environmentally-friendly ways to
farm the highlands. The Royal Project has
prevented the destruction of tree cover by
persuading farmers to stop using ‘slash-
and-burn’ cultivation. This has stopped the
annual destruction of thousands of hectares
of forest, which in turn stops tens of thou-
sands of tonnes of fertile topsoil from being
swept away by erosion.
The Royal Project has helped to replace lost forest in several ways. First, it has worked with the Royal Forestry Department to replace lost forest by planting new trees on bare ground. Second, it has helped farmers to plant thousands of hectares of fruit trees on land that had lost its tree cover. Third, it has helped farmers to plant their own forests, or ‘villager forests’.

The Royal Project has been a pioneer in developing and promoting environmentally friendly ways to farm the highlands. It has helped farmers to manage erosion by building terracing on heavily sloping hills and encouraging farmers to grow Vetiver grass. It has helped farmers to use fewer agricultural chemicals or to stop using them at all. It has found better, natural ways to keep soil fertile and moist, and it works on finding better ways to use agricultural waste and to stop it from becoming pollution for other people.

Awards and Prizes

Over the years, the Royal Project’s achievements in poverty alleviation, environmental conservation and opium replacement have been recognised by a number of international organisations. The Royal Project has been honoured to receive awards from the Ramon Magsaysay Foundation, the Colombo Plan Drug Advisory Program and the International Cooperation and Development Fund. These awards are testimony to His Majesty the King’s vision and leadership, and to the hard work of all involved in turning his vision into reality.

In 1988, the Royal Project was awarded the Ramon Magsaysay Award for International Understanding. Considered to be the ‘Nobel Peace Prize of the Developing World’, the Magsaysay award is given in recognition of contributions to the advancement of friendship, tolerance, peace, and solidarity as the foundations for sustainable development within and across countries. The Royal Project was awarded the Magsaysay award in recognition of ‘its concerted national and international effort to curtail opium growing by bringing worthy livelihoods to Thailand’s hill tribes’.

In 2000, Taiwan’s International Cooperation and Development Fund selected the Chairman of the Royal Project Foundation to be the recipient of the first ever Lifetime Achievement award. The award was created to honour the success of long-term projects and initiatives to strengthen communities and alleviate poverty. The Chairman was awarded the prize for the Royal Project’s remarkable success in replacing opium-based agriculture with alternative agriculture, agricultural research and conservation of natural resources.

In 2003, the Royal Project was awarded the Colombo Plan Prize for Opium Eradication. The Colombo Plan was established in 1951 to promote social and economic development in the Asia-Pacific Region. The Drug Advisory Program was added in 1972 to support the US-lead effort to combat the regional drug problem. In awarding the prize, the governing body of the Colombo Plan considered 300 organisations in 24 countries, and identified the Royal Project as the world’s outstanding opium-replacement project. In awarding the prize, it noted, “The Royal Project is the only project in the world that has got rid of opium by positive means”.

REASONS FOR SUCCESS

The Royal Project has been working for more than 38 years, making it the longest-standing development project in the Thai
highlands. Because King Bhumibol planned that the development of the Thai highlands and the replacement of opium would take about thirty years, the Royal Project has been able to plan for the long-term, build improvements over a long period of time and has never had to rush.

The Royal Project has had a lot of resources to use, including hundreds of skilled volunteers from universities and hospitals, the cooperation of government agencies and support from other countries and international organisations. One of the main reasons the Royal Project has had such resources to use is because of the sponsorship and support of the King, who is loved by Thais and is well respected around the world.

Looking back over so many years, it can also be seen that many of the ideas used by the Royal Project were good ones. Concentrating on crops from countries with cold climates was a good idea as their prices were so high. Helping farmers with marketing was a good idea as this helped farmers to generate income very quickly and make the new crops a credible alternative to opium. These, and many other principles used by the Royal Project, also come from the King. There are, of course, many reasons why the Royal Project has been so successful, but the leadership of His Majesty, King Bhumibol Adulyadej is first and foremost amongst them.
CONCLUSION AND RECOMMENDATIONS
LESSONS LEARNED

Poverty and Alternative Development
The root cause of illegal narcotic crop cultivation is poverty and lack of opportunity. Alternative development recognises that small-scale farmers who grow opium crops typically do so out of economic necessity – they lack access to legitimate markets and an alternative means to earn a living to support their families. Most farmers don't want to grow opium when given alternative, legal and sustainable alternatives. Tackling poverty and the socio-economic factors underlying crop cultivation in a holistic manner instead of simply eradicating opium crops not only puts more money in people's pockets than opium farming, but also can educate and empower people to continue their own development beyond the life of the project.

Long-term cooperation, collaboration and commitment
Tackling socio-economic factors underlying opium crop cultivation is a complex task requiring long-term vision and investment and a more integrated rural development approach. This means that issues such as health, education and infrastructure development must be addressed in addition to finding economic alternatives to opium cultivation. This requires the involvement of not just one agency but many specialist groups, including the affected communities, collaborating across many fields in a coordinated fashion. Impacts of interventions are increased, redundancies are decreased and knowledge, skills and experiences across a broad spectrum of areas are shared. Governments and donors must also appreciate that unlike the simple eradication of crops, alternative development does not always provide instant visible results. Significant outcomes occur over a long period of time. For this reason, the long-term cooperation, commitment and involvement of all stakeholders are required to achieve effective and sustainable drug control and livelihood improvements. Political will, vision and leadership are also essential to provide the framework for the cooperative initiatives to succeed.

Private sector involvement
Offsetting the attractions of opium livelihood requires considerable effort to build up alternative livelihoods for ex-farmers and their families and to develop market opportunities for their products. The involvement of private enterprise represents an opportunity to develop alternative livelihoods and ensure access to sustainable markets. Private sector participation should also be encouraged to ensure the sustainability of activities beyond the life of the project.

Improving access to markets and services
Opium is often grown in remote, inaccessible areas and sometimes regions where conflicts are taking place; it is small in bulk and is easily transported by pack animals or on the person. Many opium growing areas in the Lao PDR, Myanmar and Thailand have poor transport infrastructure that hinders the efforts of farmers to get their crops to market. By contrast, drug traffickers often come to the farms directly to buy opium. Improving farmers’ access to markets as well as education and health services through infrastructure development and fostering of the market links and services themselves supports the development of alternatives to opium.

Adding value to products
To provide a more attractive and sustainable income and to compete better with existing products already on the market, it is
essential that value is added to products derived from substitute livelihoods. This can be done during production, for example through the application of higher production standards such as Good Agricultural Practices (GAP), or post-production, for example by introducing post-harvest and processing technologies, and marketing. For income generation to be successful and sustainable, production should be market driven—not product driven.

Community-based approach
Interventions which are identified, planned, prioritised, implemented and monitored utilising a community-centred, participatory approach reduce costs, improve communities organisation and skills, infuse direct income into communities and have a higher rate of community ownership, success and sustainability. A community-based approach should build on community strengths and assets and requires capacity building of the community, their institutions and services.

Environmental sustainability
Opium cultivation and associated customs can have severe negative impacts on the environment; their sustained eradication therefore reaps considerable benefits for the environment. At the same time, environmental sustainability is a key factor in alleviating poverty, ensuring food security and supporting numerous alternative livelihoods for many ex-opium growing farmers. Alternative development programmes can adopt a number of tools for ensuring environmental sustainability in a sustainable manner, including community-based resource management, land use plans and land allocation (LUPLA) and the introduction of appropriate technologies such as sedentary farming, organic farming, agro forestry, etc. Successful community-based resource management requires the community to be equipped with the necessary funding, skills, information and knowledge.

Micro-credit and micro-finance
Micro-finance and micro-credit schemes help the farmers leave opium farming, find alternative livelihoods and lift themselves out of poverty.

RECOMMENDATIONS

Adapt others’ experiences
Many countries and organisations have already garnered extensive experience and skills in alternative development and marketing. Projects should adapt this valuable knowledge to local conditions to avoid reproducing costly mistakes and foster the success of their own projects.

Mainstream drug control
Mainstream counter-narcotics objectives and analyses into wider national and regional development plans and programmes.

Implement long-term projects and programmes
Where donors are available implement long term projects and programmes to provide a realistic opportunity to address the poverty issue and foster the livelihood of the ex-poppy farmers.

Build stakeholder trust
Building trust with and between stakeholders must be fostered before proceeding with key activities and should be maintained throughout the life of the project to ensure their ongoing participation in the project.

Benefit from local wisdom and skills
Adopt the local wisdom and existing skills of the local populace. This will build trust and, taking advantage of local knowledge
and being sensitive to people’s customs, will contribute significantly to the project’s sustainability

**Sharing good practices and lessons learned on sustainable alternative development**
Seminars and study visits should be conducted more often to expose participants to innovative practices in the region and provide authorities, project planners and managers with an opportunity to share experiences with other regions that encounter illicit crop cultivation should be promoted.

**Add value to alternative development produce**
Add value to alternative development produce with market driven approaches to increase the income of the ex-poppy farmers.

**Couple micro-credit schemes with income generation activities**
Couple micro credit schemes with income generation activities to be more successful.

**Establish cooperative mechanisms for markets**
Set up or establish a mechanism among neighbouring countries to help foster the sustainable markets of AD produce in the region.

**Build capacity**
As management plays a vital role for the success of the alternative development projects, capacity building training such as project design and management should be pursued.

**Empower communities**
Empowerment of the community and local authorities must be fostered to sustain the achievements of projects and prevent a return to opium growing and drug use.

**Seek international cooperation**
International cooperation, either technical and/or financial, must be sought for the sustainability of the opium-free zones.

**Publicize success stories**
Publicize the success stories, lessons learnt and recommendations so as to attract and lobby the interest of the possible donors who will fund the alternative development projects. Inform current donors that their money is being utilised wisely and is having tangible results and impacts so that they will be willing to fund successor projects.

**Plan successor projects**
As alternative development is a long-term and complex endeavour with the indicator of success not simply opium eradication, successor projects must be planned for to ensure the continuation and sustainability of all results, both tangible and intangible.

**Maintain security, peace and tranquility**
Maintaining the security, peace and tranquility of the project areas should be fostered to sustain the achievements of the project.
Global Partnership on Alternative Development (GLO/I44)

Context:

In the past decade, opium poppy cultivation in Southeast Asia has significantly declined from 158,230 hectares in 1998 to 30,388 hectares in 2008 representing over 80% reduction of opium production in the region. By 2000, Vietnam was declared opium-free. Thailand and Lao PDR have also attained this status by 2003 and 2006, respectively. Myanmar has also demonstrated a steady decline in opium production, despite some recent increase in production in the Southern Shan State.

Notwithstanding these accomplishments, continued efforts are needed to sustain the decline of production while preventing the resumption of cultivation, particularly in Lao PDR and Myanmar. The food security and the loss of income generated by opium production have put ex-poppy growing communities in a difficult position: severe poverty and widespread food shortages, coupled with an increasing price of raw opium and insufficiencies in law enforcement are all factors that create a high risk of re-cultivation.

The Project:

The Global Partnership on Alternative Development will contribute to sustainable reduction and prevention of expansion of illicit crop cultivation, with a main strategy to strengthen the capacity of participating governments and development entities to mainstream AD and to integrate it into national and regional development plans and programmes. The participating governments having laid out policies and strategies to reduce illicit crop cultivation, the project will be implemented by providing governments with advisory and technical services while mainstreaming strategic AD in corporation with other development entities.

The project will target line ministries, policy makers in development entities, international financial institutions and multilateral donors. The implementation will initially take place in Southeast Asia, while feasibility is assessed for implementation in South America in the latter phases. The project will share knowledge and experience gained with other countries that address similar issues.
Objective and outcomes:

The drug control objective of this project is to contribute to a sustainable prevention of the expansion of illicit crop cultivation through the integration of development oriented counter narcotics objectives into broader development policies.

Project outcomes:

- Established and strengthened institutional capacities for mainstreaming drug control objectives and analysis into conventional development programmes.
- Increased scope of development interventions reaching illicit dug crop producing areas.
- Increased body of available knowledge on AD and sharing good practices and lessons learned to the development agencies and the development community.

Project outputs:

- A better ability of the relevant national authorities to mainstream counter narcotics policy into broader plans and programmes and the identification of good practices and lessons learned in mainstreaming.
- An increased ability of participating institutions to design and implement development activities in drug producing areas as well as an increased ability in resource mobilization for development in these area. The development of operational guidelines for effective AD and mainstreaming of counter narcotics objectives and analysis into conventional development and the production of specialized thematic studies, reports and impact assessments.

Execution:

This technical assistance project is implemented by UNODC in Lao PDR and Myanmar with technical support from the Sustainable Livelihood Unit in Vienna. The project implementation also involves national counterparts in China, Lao PDR, Myanmar and Thailand as well as key alternative development agencies such as the Thai Royal Project Foundation and the Doi Tung Project of Mae Fah Luang Foundation. Other U.N organizations, development agencies, international financial institutions, NGOs and the private sector will be included in consultations and partnerships arrangements to optimize the impact of the project.

Expected Results:

By the end of the project it is expected that AD will be mainstreamed into broader development frameworks with wider partnership and networking that will lead to more development interventions having been made available for illicit crop producing communities. In addition, the body of gained knowledge will be made available to national and international agencies, as well as the donor entities and international financial institutions (World Bank, ADB).
## Table 1: Identified Needs per RRA and DDR Surveys

<table>
<thead>
<tr>
<th>Livelihood</th>
<th>Annual Target</th>
<th>2008 First Priority Projects</th>
<th>2009 First</th>
<th>2010 First Priority Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Village Savings</td>
<td>15 Villages</td>
<td>13 Villages</td>
<td>-</td>
<td>28 Villages</td>
</tr>
</tbody>
</table>

## Table 2: Drug Demand Reduction

**January to December 2008**

<table>
<thead>
<tr>
<th>Performance</th>
<th>2008</th>
<th>Accomplishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Comprehensive</td>
<td>3 districts of Samphan,</td>
<td>Three districts (DCDC, DHO) attended DDR</td>
</tr>
<tr>
<td>2. Half-way house</td>
<td>Site identified, plan pre-</td>
<td>Mai and Khoua districts have identified sites and</td>
</tr>
<tr>
<td>3. Number of Villages</td>
<td>Note: 140 target villages in</td>
<td>Note: will be done after completion of</td>
</tr>
<tr>
<td>4. Number of ATS</td>
<td>One (1) during the Lao Na-</td>
<td>Drug awareness campaign done during the boat</td>
</tr>
<tr>
<td>5. Number of ATS</td>
<td>Once during the Lao Na-</td>
<td>Participated during the boat racing day together</td>
</tr>
<tr>
<td>6. Number of</td>
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<td>7. Number of</td>
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## Total 3: Village Infrastructures: Water Supply

**January to December 2008**

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* Water reservoir/tank only

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N.B. Aside from the direct beneficiaries in the target villages, the access tracks will also be used by communities of the surrounding non-target villages. Three (3) months after completion, PADF will get data of its, impact on surrounding non-target villages.
### Total 6: Access Track: Wage Employment and Income

<table>
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<tr>
<th>Village</th>
<th>Length (Km)</th>
<th>Total Labors Cost (Kip)</th>
<th>No. of Household</th>
<th>Population</th>
<th>Average Income Per Household</th>
<th>Average Income Per Person</th>
</tr>
</thead>
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<th>No. of Household</th>
<th>Population</th>
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<td>6. Noy</td>
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<td>415,254.24</td>
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<tr>
<td><strong>Sub-total</strong></td>
<td><strong>22.50</strong></td>
<td><strong>235,000,000</strong></td>
<td><strong>113</strong></td>
<td><strong>818</strong></td>
<td><strong>2,079,646.02</strong></td>
<td><strong>287,286.06</strong></td>
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Table 7: Social-Economic Development
Village Savings and Credit Groups (VSCGs)
January to December 2008

Village Saving and Credit Groups (VSCGs)

<table>
<thead>
<tr>
<th>Village</th>
<th>No. of member (Families)</th>
<th>Total Population</th>
<th>First Quarter Saving(Kip)</th>
<th>Average Savings per village</th>
<th>Average Savings per family</th>
</tr>
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<tbody>
<tr>
<td>Khoua</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Pichermai</td>
<td>61</td>
<td>383</td>
<td>610,000</td>
<td>10,000</td>
<td></td>
</tr>
<tr>
<td>2. Picherkao</td>
<td>32</td>
<td>205</td>
<td>210,000</td>
<td>6,563</td>
<td></td>
</tr>
<tr>
<td>3. Honglerk</td>
<td>57</td>
<td>377</td>
<td>285,000</td>
<td>5,000</td>
<td></td>
</tr>
<tr>
<td>4. Mokkuang</td>
<td>35</td>
<td>351</td>
<td>1,745,000</td>
<td>49,857</td>
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</tr>
<tr>
<td>5. Poulou</td>
<td>36</td>
<td>389</td>
<td>225,000</td>
<td>6,250</td>
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</tr>
<tr>
<td>Sub-total</td>
<td>221</td>
<td>1,705</td>
<td>3,075,000</td>
<td>615,000</td>
<td>13,914</td>
</tr>
<tr>
<td>Mai</td>
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</tr>
<tr>
<td>Cluster 1</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>1. Chomchelmai</td>
<td>16</td>
<td>187</td>
<td>109,000</td>
<td>6,813</td>
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</tr>
<tr>
<td>2. Chomchelkao</td>
<td>21</td>
<td>485</td>
<td>985,000</td>
<td>46,905</td>
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<tr>
<td>3. Nabua</td>
<td>40</td>
<td>167</td>
<td>4,318,000</td>
<td>107,950</td>
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</tr>
<tr>
<td>4. Phuenti</td>
<td>25</td>
<td>106</td>
<td>1,130,000</td>
<td>45,200</td>
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</tr>
<tr>
<td>5. Phonexay</td>
<td>24</td>
<td>421</td>
<td>3,115,000</td>
<td>129,792</td>
<td></td>
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<tr>
<td>Sub-total</td>
<td>126</td>
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<td>1,931,400</td>
<td>76,643</td>
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<tr>
<td>1. Chabue</td>
<td>31</td>
<td>323</td>
<td>960,000</td>
<td>30,968</td>
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</tr>
<tr>
<td>2. Parkpae</td>
<td>49</td>
<td>213</td>
<td>995,000</td>
<td>20,306</td>
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</tr>
<tr>
<td>3. Phakneum</td>
<td>48</td>
<td>269</td>
<td>500,000</td>
<td>10,417</td>
<td></td>
</tr>
<tr>
<td>4. Songlong</td>
<td>44</td>
<td>245</td>
<td>3,000,000</td>
<td>68,182</td>
<td></td>
</tr>
<tr>
<td>5. Yangtay</td>
<td>25</td>
<td>237</td>
<td>1,620,000</td>
<td>64,800</td>
<td></td>
</tr>
<tr>
<td>Sub-total</td>
<td>197</td>
<td>1,287</td>
<td>7,075,000</td>
<td>35,914</td>
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</tr>
<tr>
<td>Total</td>
<td>544</td>
<td>4,358</td>
<td>19,807,000</td>
<td>1,320,467</td>
<td>36,410</td>
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### Table 8: Social-Economic Development
Livelihoods Activity Groups (LAGs)
January to December 2008

<table>
<thead>
<tr>
<th>Village</th>
<th>No. of Groups</th>
<th>No. of family members</th>
<th>Population Total</th>
<th>Population women</th>
<th>Income Generating Projects (IGP and the total families)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Khoua</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Pichermai</td>
<td>9</td>
<td>61</td>
<td>383</td>
<td>192</td>
<td>11 groups with 85 members-Corn</td>
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<tr>
<td>2. Picherkao</td>
<td>4</td>
<td>32</td>
<td>205</td>
<td>114</td>
<td>9 groups with 63 members-piggery</td>
</tr>
<tr>
<td>3. Honglerk</td>
<td>7</td>
<td>57</td>
<td>377</td>
<td>180</td>
<td>6 groups with 48 members-goat</td>
</tr>
<tr>
<td>4. Molduang</td>
<td>5</td>
<td>35</td>
<td>351</td>
<td>187</td>
<td>3 groups with 21 members-chicken</td>
</tr>
<tr>
<td>5. Poulou</td>
<td>5</td>
<td>36</td>
<td>389</td>
<td>209</td>
<td>1 groups with 4 members-fishpond</td>
</tr>
<tr>
<td>Sub-total</td>
<td>30</td>
<td>221</td>
<td>1,705</td>
<td>882</td>
<td></td>
</tr>
<tr>
<td>Mai Cluster 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Chomchelmai</td>
<td>2</td>
<td>16</td>
<td>187</td>
<td>90</td>
<td>9 groups with 68 members-Corn</td>
</tr>
<tr>
<td>2. Chomchelkao</td>
<td>3</td>
<td>21</td>
<td>485</td>
<td>74</td>
<td>4 groups with 28 members-piggery</td>
</tr>
<tr>
<td>3. Nabua</td>
<td>5</td>
<td>40</td>
<td>167</td>
<td>80</td>
<td>3 groups with 21 members-chicken</td>
</tr>
<tr>
<td>4. Phuenti</td>
<td>4</td>
<td>25</td>
<td>106</td>
<td>56</td>
<td>1 group with 5 members-duck</td>
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<tr>
<td>5. Phonexay</td>
<td>4</td>
<td>24</td>
<td>421</td>
<td>181</td>
<td>1 group with 4 members-fishpond</td>
</tr>
<tr>
<td>Sub-total</td>
<td>18</td>
<td>126</td>
<td>1,366</td>
<td>481</td>
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<tr>
<td>Mai Cluster 2</td>
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</tr>
<tr>
<td>1. Chabue</td>
<td>3</td>
<td>31</td>
<td>323</td>
<td>160</td>
<td>16 groups with 133 members- corn</td>
</tr>
<tr>
<td>2. Parkpae</td>
<td>3</td>
<td>49</td>
<td>213</td>
<td>105</td>
<td>3 groups with 21 members- piggery</td>
</tr>
<tr>
<td>3. Phakneum</td>
<td>5</td>
<td>48</td>
<td>269</td>
<td>133</td>
<td>1 group with 8 members- commerce</td>
</tr>
<tr>
<td>4. Songlong</td>
<td>6</td>
<td>44</td>
<td>245</td>
<td>124</td>
<td>1 group with 4 members- chicken</td>
</tr>
<tr>
<td>5. Yangtay</td>
<td>5</td>
<td>25</td>
<td>237</td>
<td>116</td>
<td>1 group with 3 members- fish pond</td>
</tr>
<tr>
<td>Sub-total</td>
<td>22</td>
<td>197</td>
<td>1,287</td>
<td>638</td>
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<tr>
<td>Total</td>
<td>70</td>
<td>544</td>
<td>4,358</td>
<td>2,001</td>
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Table 9: Social-Economic Development: Loan Granted to LAGs
January to December 2008

Loan Granted to Livelihood Activity Groups (LAGs)

<table>
<thead>
<tr>
<th>Village</th>
<th>No. of LAGs</th>
<th>Total Member</th>
<th>Loan Granted (Kip)</th>
<th>Average Loan per Group</th>
<th>Average Loan per Family</th>
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<tr>
<td>Khoua</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Pichermai</td>
<td>9</td>
<td>61</td>
<td>64,972,000</td>
<td>7,219,111</td>
<td>1,065,115</td>
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<tr>
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<td>4</td>
<td>32</td>
<td>32,000,000</td>
<td>8,000,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>3. Honglerk</td>
<td>7</td>
<td>57</td>
<td>57,000,000</td>
<td>8,142,857</td>
<td>1,000,000</td>
</tr>
<tr>
<td>4. Mokkuang</td>
<td>5</td>
<td>35</td>
<td>34,840,000</td>
<td>6,968,000</td>
<td>995,429</td>
</tr>
<tr>
<td>5. Poulou</td>
<td>5</td>
<td>36</td>
<td>25,880,000</td>
<td>5,176,000</td>
<td>718,889</td>
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<tr>
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<td>221</td>
<td>214,692,000</td>
<td>7,156,400</td>
<td>971,457</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Cluster 1</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
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<td>16</td>
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<tr>
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<td>21</td>
<td>20,700,000</td>
<td>6,900,000</td>
<td>985,714</td>
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<tr>
<td>3. Nabua</td>
<td>5</td>
<td>40</td>
<td>24,200,000</td>
<td>4,840,000</td>
<td>605,000</td>
</tr>
<tr>
<td>4. Phuenti</td>
<td>4</td>
<td>25</td>
<td>9,500,000</td>
<td>2,375,000</td>
<td>380,000</td>
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<tr>
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<td>24</td>
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<td>4,550,000</td>
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<td>126</td>
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<td>610,317</td>
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<td>Cluster 2</td>
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<tr>
<td>1. Chabue</td>
<td>3</td>
<td>31</td>
<td>21,400,000</td>
<td>7,133,333</td>
<td>690,323</td>
</tr>
<tr>
<td>2. Parkpae</td>
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<td>49</td>
<td>22,500,000</td>
<td>7,500,000</td>
<td>459,184</td>
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<td>3. Phakneum</td>
<td>5</td>
<td>48</td>
<td>34,800,000</td>
<td>6,960,000</td>
<td>725,000</td>
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<tr>
<td>4. Songlong</td>
<td>6</td>
<td>44</td>
<td>41,000,000</td>
<td>6,833,333</td>
<td>931,818</td>
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<td>5. Yangtay</td>
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<td>25</td>
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<td>7,820,000</td>
<td>1,564,000</td>
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<td>197</td>
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ACRONYMS
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<td>ASEAN and China Cooperative Operations in Response to Dangerous Drugs</td>
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<td>AD</td>
<td>Alternative Development</td>
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<tr>
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<td>Asian Development Bank</td>
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<td>Alternative Development Project</td>
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<td>AIDS</td>
<td>Acquired immune deficiency syndrome</td>
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<tr>
<td>ALD</td>
<td>Alternative Livelihood Development</td>
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<td>ALEP</td>
<td>Alternative Livelihood in Upland Ethnic Groups in Houaphan Province Project</td>
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<td>Aide Medecale Internationale</td>
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<td>ARS</td>
<td>Agricultural Research Service (US)</td>
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<td>ASEAN</td>
<td>Association of South East Asian Nations</td>
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<td>Amphetamine-type stimulants</td>
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<td>Borderline Offices</td>
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<td>Community-Based Infrastructure Construction</td>
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<td>International Cooperation for Development and Solidarity</td>
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<td>Counter Narcotics Unit (Lao PDR)</td>
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<td>CRWRC</td>
<td>Christian Reformed World Relief Committee</td>
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<tr>
<td>CSW</td>
<td>Commercial sex worker</td>
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<tr>
<td>DDR</td>
<td>Drug Demand Reduction</td>
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<td>DHO</td>
<td>District Health Office</td>
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<td>European Union</td>
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<td>FAO</td>
<td>UN Food and Agriculture Organization</td>
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<td>FFW</td>
<td>Food For Work</td>
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<td>German Agro Action</td>
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<td>Good Agricultural Practices</td>
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<td>GGP</td>
<td>Grant Assistance for Grassroots Human Security Projects</td>
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<tr>
<td>GIS</td>
<td>Geographical Information System</td>
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<tr>
<td>GOUM</td>
<td>Government of the Union of Myanmar</td>
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<tr>
<td>GTZ</td>
<td>Deutsche Gesellschaft für Technische Zusammenarbeit (German Technical Cooperation)</td>
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<tr>
<td>HAMP</td>
<td>Thai/UN Highland Agricultural and Marketing Project</td>
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<td>HIV</td>
<td>Human Immunodeficiency Virus</td>
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<td>HRDI</td>
<td>Highland Research Development Institute (Thailand)</td>
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<td>IDU</td>
<td>Intravenous drug use</td>
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<tr>
<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
</tr>
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<td>International non-government organization</td>
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<td>Japan International Cooperation Agency</td>
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<td>KOWI</td>
<td>Kokang and Wa Initiative (Myanmar)</td>
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<td>Livelihood Activity Group</td>
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<td>Lao National Commission for Drug Control and Supervision</td>
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<td>LDC</td>
<td>Least Developed Country</td>
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<td>LUPLA</td>
<td>Land Use Plan and Land Allocation</td>
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<tr>
<td>LWU</td>
<td>Lao Women’s Union</td>
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<td>MAF</td>
<td>Ministry of Agriculture and Forestry (Lao PDR)</td>
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<td>MANA</td>
<td>Myanmar Anti-Narcotics Association</td>
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<td>Millennium Development Goal</td>
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<td>Mutual Help Team</td>
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<td>MPI</td>
<td>Ministry of Planning and Investment (Lao PDR)</td>
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<td>Narcotic Affairs Section</td>
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<td>NF</td>
<td>Nippon Foundation</td>
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<tr>
<td>NGO</td>
<td>Non-government organisation</td>
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<td>NGPES</td>
<td>National Growth and Poverty Eradication Strategy (Lao PDR)</td>
</tr>
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<td>Norwegian Agency for Development Cooperation</td>
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<td>NSEDP</td>
<td>National Socio-Economic Development Plan</td>
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<td>Non-timber forest products</td>
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<td>OCCD</td>
<td>Operation Centre for Combating Drugs (Thailand)</td>
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<td>ODA</td>
<td>Official development assistance</td>
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<td>ONCB</td>
<td>Office of the Narcotics Control Board (Thailand)</td>
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<tr>
<td>OTOP</td>
<td>One-Tambon-One-Product</td>
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<tr>
<td>PADF</td>
<td>Phongsaly Alternative Development Fund</td>
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<td>PAFO</td>
<td>Provincial Agriculture and Forestry Service Office (Lao PDR)</td>
</tr>
<tr>
<td>PBANRDA</td>
<td>Ministry for the Progress of Border Areas, National Races and Development Affairs, commonly known as NaTaLa (Myanmar)</td>
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<td>PCDC</td>
<td>Provincial Committee for Drug Control (Lao PDR)</td>
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<td>PFU</td>
<td>Programme Facilitation Unit (Lao PDR)</td>
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<td>PICD</td>
<td>Provincial Industry and Commerce Department (Lao PDR)</td>
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<td>PMC</td>
<td>Productivity and Marketing Centre</td>
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<td>PSP</td>
<td>Post-opium surpass poverty</td>
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<td>Revolving Drug Fund</td>
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<td>Republic of Korea</td>
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<td>Rapid Rural Appraisal</td>
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<td>SCRM</td>
<td>Success Case Replication Method</td>
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<td>SWISSAID</td>
<td>Swiss Foundation for Development Assistance</td>
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<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>TCU</td>
<td>Technical Coordination Unit</td>
</tr>
<tr>
<td></td>
<td>(Myanmar)</td>
</tr>
<tr>
<td>TOT</td>
<td>Training of Trainers</td>
</tr>
<tr>
<td>TPA</td>
<td>Terra People Association</td>
</tr>
<tr>
<td>UNAIDS</td>
<td>United Nations Joint Programme on HIV/AIDS</td>
</tr>
<tr>
<td>UNDCP</td>
<td>United Nations International Drug Control Programme</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
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<tr>
<td>UNFDAC</td>
<td>United Nations Fund for Drug Abuse Control</td>
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<tr>
<td>UNGASS</td>
<td>United Nations General Assembly Special Session on Drugs</td>
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<tr>
<td>UNHCR</td>
<td>United Nations High Commissioner for Refugees</td>
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<td>UNICEF</td>
<td>United Nations Children's Fund</td>
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<tr>
<td>UNIDO</td>
<td>United Nations Industrial Development Organization</td>
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<tr>
<td>UNODC</td>
<td>United Nations Office on Drugs and Crime</td>
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<tr>
<td>UNTHSF</td>
<td>United Nations Trust Fund for Human Security</td>
</tr>
<tr>
<td>US / USA</td>
<td>United States of America</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
<tr>
<td>UWSA</td>
<td>United Wa State Army</td>
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<tr>
<td>VBO</td>
<td>Village-based organisation</td>
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<tr>
<td>VCDC</td>
<td>Village Committee for Drug Control</td>
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<tr>
<td>VDC</td>
<td>Village development committee</td>
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<tr>
<td>VDP</td>
<td>Village development plan</td>
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<tr>
<td>VHV</td>
<td>Village health volunteer</td>
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<td>VPG</td>
<td>Village productivity group</td>
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<td>VSCF</td>
<td>Village savings and credit fund</td>
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<td>WFP</td>
<td>World Food Programme</td>
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<td>Welthungerhilfe</td>
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<td>WHO</td>
<td>World Health Organization</td>
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<td>WIG</td>
<td>Women International Group (Lao PDR)</td>
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<td>WV</td>
<td>World Vision</td>
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</table>
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