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INTRODUCTION

The document which follows consists of two self-contained but complementary papers dealing with the role of alternative development in efforts to reduce the supply of illicit raw materials used in the production of narcotic drugs. At issue are primarily the opium poppy and the coca bush. Alternative development is understood to be the application of broad-based socio-economic development measures to encourage growers of these crops to abandon them in favour of other sources of income.

The first paper contains an analysis of the emergence and evolution of alternative development as a methodology for use in areas where these illicit crops are grown. It traces the development of the methodology from the first such projects in the early 1970s up to the situation at the beginning of the 1990s. The document draws heavily on the experience of the United Nations in this field.

The second document examines the broader context in which this methodology must be applied, including factors which place limits on its effectiveness. It also suggests ways in which these limits can be addressed for the longer term, based on the principle that the problem of illicit drug crops cannot be dealt with in isolation from other developmental initiatives both within the growing areas and in a much broader geographical and economic sense.

The two papers were developed respectively in connection with seminars organized in Berlin in April 1993 by the German Ministry of Economic Cooperation and in Lima in September 1993 by the Organization of American States and UNDCP.

The papers have not been subject to official United Nations editing procedures and thus do not represent the views of the Organization.
The idea of a connection between illicit drug crops and socio-economic development first received serious attention around 1970, when work began on the first "crop substitution" projects targeting opium poppy in northern Thailand. The methodology has evolved over a period of some twenty years into what is now known as "alternative development", a much more complex and far-reaching approach.

Crop substitution projects were based on the premise that the elimination of the economic imperative to grow an illicit crop would within a reasonable period of time lead to elimination of the illicit cultivation within the targeted area. The activities would then spread to adjoining growing areas and eventually cover the entire zone of illicit cultivation. The areas for which this hypothesis was felt to be appropriate were primarily traditional growing areas where subsistence economies prevailed.

The 1970s served as the testing period for this methodology. It became clear that various crops were feasible substitutes on agricultural grounds, but that the challenges posed by marketing (in contrast, opium poppy poses no storage and marketing problems) and by the ability of traffickers to adjust the price paid for opium placed considerable limitation on the ultimate success of "crop substitution" as a methodology.

By the end of the decade the approach was broadened to what was called "integrated rural development". It aimed at improving the overall quality of life of the target population by addressing not only income but also education, health, infrastructure and social services. The approach proved to be relatively successful in traditional growing areas in several Asian countries as the 1980s advanced and served as the basis for the development of initial projects in the coca-producing areas of Latin America. It combined relatively heavy infrastructure investment with a wide range of other inputs, aiming in most general terms to "open up" these remote, under-developed areas of traditional cultivation and to promote their integration into the economic and social mainstream.

In the course of the 1980s, however, especially in Latin America, it became evident that cultivation would be introduced by traffickers into new, non-traditional areas to meet a growing market and to offset any gains made in traditional area. A methodology based on high-cost investments in hard-core growing areas could not ultimately expect to cover all these new areas. Furthermore, attention would need to be given to the overall development of entire zones, so as to counter and ultimately prevent the spillover effect.

Furthermore, any such approach could only work if it was part of a wider, balanced approach to the drug issue in the countries concerned. At the same time, the full support and participation
of the local population would be required. In short, the narrower micro-economic approach was insufficient.

The much expanded objective was recast as "alternative development" as the activities entered the 1990s, taking on additional inputs with the creation of a consolidated UN agency, UNDCP, in 1991.

It is obvious that alternative development will need to go far beyond the actual and potential possibilities of a drug-specific agency like UNDCP. While there is a clear role for UNDCP, it is limited to those interventions which offer the greatest return in the specific context of drug control. UNDCP must also play a major role as a catalyst.

Other necessary active partners will be required. Of great importance are the producer countries themselves. It is they who bear the responsibility for ensuring that the necessary actions are taken and that all the concerned parties are mobilized. They will need to provide political support and to place actions in the drug control field high in their own development planning priorities. The UNDCP masterplan approach can be useful in this respect.

The international community will also need to assure the necessary pre-conditions through coordinated and directed programming of development aid and through addressing drug demand problems in a more intensive manner. Furthermore, certain of the problems faced by the producing areas reflect circumstances well beyond their own control. The international community needs to realize that they can help reduce the vulnerability which encourages recourse to an illegal crop.

Certain general guidelines can be identified for specific project interventions. Alternative development projects should aim primarily at the structural factors which hinder integration of the concerned areas into the development process. They need to promote alternative economic activities which have some traditional linkage to the areas and for which a certain demand exists. The projects need also to support local groups and institutions which can help convince people not to grow drug crops. Strengthening of local government administration is also an important factor. Lastly, constant evaluation and analysis are required, in order to identify those intervention models which can be sustained and which should be replicated on a larger scale.

The role of UNDCP is seen to have three elements:

1. Conceptualization, coordination and evaluation of the global alternative development strategy;

2. Channeling of human and financial resources drawn from the international community;

3. Providing technical advice to producer countries.

These tasks cannot be carried out by UNDCP alone but require the involvement of a range of organizations and governments, each contributing its own specialized inputs. UNDCP's unique role as
a specialist in the field of alternative development itself gives it the possibility to serve as driving force behind the entire approach.

UNDCP is particularly well suited:

- to undertake diagnostic exercises having to do with the economic, social and other implications of illicit cultivations and on that basis to identify priority interventions;

- to assist in planning, especially through the use of drug control Masterplans;

- to provide support for institution-building;

- to develop and promote systems for the channeling of a variety of inputs from different sources;

- to collect and propagate information on experience in the alternative development field;

- to develop effective systems for monitoring and impact evaluation.

Parallel to these functions and in the light of its limited resources, direct responsibility of UNDCP at the project level is most appropriate in cases which are of particular strategic importance and which require pilot interventions.
PART I

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Explanatory Note

The United Nations International Drug Control Programme (UNDCP) came into existence in 1991 as a result of a resolution of the United Nations General Assembly consolidating the three pre-existing drug units of the United Nations Secretariat. Most of the United Nations work in the area of Alternative Development prior to the consolidation was undertaken under the auspices of the United Nations Fund for Drug Abuse Control (UNFDAC), one of the three pre-existing units. Some responsibilities were also assigned at various periods to the United Nations Division of Narcotic Drugs. In order to minimize confusion, the term "UN" is used for all references to events prior to the creation of UNDCP. The term "UNDCP" is applied to work undertaken after creation of the consolidated programme.

The present document has not been officially edited by the United Nations.
Alternative Development as an Instrument of Drug Abuse Control

0. Introduction

The objective of this document is to describe and summarize the strategy of "Alternative Development," a basic instrument of United Nations’ action to control natural sources of production of illicit drugs.

At the time the United Nations Fund for Drug Abuse Control (UNFDAC) was created in 1971 (see Explanatory Note after Table of Contents), the international community was for the first time looking to development-oriented measures as a means of reducing the illicit supply of raw materials used to make drugs of abuse.

At that time the two major natural sources of illicit drugs were \textit{Papaver somniferum}, the source of opium, heroin and morphine, and \textit{Cannabis sativa}, the source of marijuana, hashish and cannabis resin. Widespread interest in limiting the production of cocaine, produced from \textit{Erythroxylon coca}, did not develop until the 1980s, by which time the concepts of rural or alternative development were already replacing the concept of mere crop substitution.

0.1 CANNABIS

The possibility for action against cannabis cultivation has always been limited because of the dispersed nature of the cultivation, which occurs in a wild state in many countries. Furthermore, the perception by public opinion and by governments of the threat posed by cannabis has been relatively weak.

Deliberate and organized cultivation of cannabis generally occurs in zones which do not have a long tradition of such cultivation pre-dating the international conventions controlling cultivation and production of illicit drugs. This type of cultivation is thus typical and even a classical example of what can be called "opportunistic" cultivation. Its elimination is largely a matter for law enforcement and does not justify, aside from exceptional cases, assistance in the form of investments in crop substitution or rural development.

In the 1970s the UN supported only one such project, which took place from 1973 to 1975 in Lebanon’s Bekaa Valley. Even if the war had not forced abandonment of the project, it would have been necessary sooner or later to address the fact that cannabis cultivation in the area was not based on the absence of possible alternatives but rather on the speculative undertaking for profit of activity known to be illegal. The cannabis-producing Rif zone of Morocco, where a pilot project currently nears completion with tangible results, more adequately fits the concept of traditional cultivation.

0.2 OPIUM POPPY
The opium poppy, a plant originating in Central Asia, has been cultivated since time immemorial in India, Iran, Pakistan, Afghanistan and Turkey. It was introduced into China in the nineteenth century and then spread rather quickly to Myanmar (Burma), Thailand and Laos.

Controls over the production of opium and its source plant have a long history, rendered more complex by the fact that opium is the base for producing various legal medicines. Early in the present century the international community began to devote serious attention to controlling the production of opium because of the growing number of opiate addicts, especially in Asia. Action against the production of opium is in fact at the root of the international conventions which regulate the production and use of drugs. In the 1960s the interest in controlling the production of opiates grew considerably as awareness increased of the particularly dangerous nature of heroin and as its consumption became a worldwide phenomenon.

The increased public awareness in industrialized countries was a fundamental factor leading to the creation of the UN Fund in 1971 and lending support to its initial investment in what was called "crop substitution".

0.3 COCA

Production and consumption of coca leaf are traditional in several Andean countries, principally Peru, Bolivia and Ecuador. It formed part of the compensation package under the Mit'a (forced labour) regime used in mining operations during centuries of colonial rule. While Europe remained preoccupied with heroin, only the United States took initiatives in the 1970s to try to limit coca production when abuse of its derivative, cocaine, began to spread among its population. However, in anticipation of the arrival of a major problem in Europe, the UN began in 1982 to try to mobilize the donor community to support initiatives in Latin America, initially without much success. Meanwhile, the predictions began to prove correct and were echoed by INTERPOL.

In 1984 Italy became the first donor to react specifically, with a pledge to the UN of the unprecedented sum of US$ 40 million, permitting the rapid launching of large programmes in the Andean region.

The experience in Latin America with these new programmes came too late to contribute either to the formulation of the "crop substitution" concept or to its evolution towards rural development, later designated "alternative development" in the 1990s to denote its unique nature. All these strategies, based on the general idea that only social and economic development would eventually permit the elimination of illicit production, were already adopted and the technical methodology underlying them was no longer subject to question by the time the activities in the Andean region got underway.

On the other hand, the Latin American experience contributed greatly to the emergence of the questioning of what should be the
basic principles guiding UN and other assistance to countries to fight drug abuse. The programmes in Latin America served to clarify the potential scope and limits of alternative development and to define its rightful place in the range of instruments available to prevent the expansion of illicit production and to control drug abuse.

1. From "Crop Substitution" to "Rural Development", 1971 - 1983

1.1 THE STATUS AND CONTEXT OF OPIUM POPPY CULTIVATION IN 1970

In the 1970s the principal sources of illicit opium were Myanmar, Thailand and Laos in South East Asia and Pakistan and Afghanistan in South West Asia. Turkey, which was recognized in the context of the conventions as a licit producer, was nevertheless an important source of illicit opium as well because of leakage of a significant part of the licit production, until effective corrective measures were taken by mid-decade. Roughly speaking, total world production at this period was almost exclusively from Asia and was estimated to be approximately 1500 tonnes, with two-thirds coming from South East Asia and one-third from South West Asia. In North America, Mexico would become a significant source, but somewhat later.

The production zones in all these countries (with the partial exception of Turkey and Mexico) shared certain characteristics:

- The production of opium had been going on for hundreds of years in all the producing countries of South West Asia and for at least a century and a half in South East Asia. Because of this it had become in certain regions a "traditional production" for the populations concerned. The "traditional" character, which limited societal reprobation of production and use and, for a long time decreased the possibility of enacting or enforcing laws against cultivation, derived for the most part from the fact that opium had always had "legitimate" uses, primarily as medicine.

- The populations which cultivated the poppy were largely composed of ethnic minorities (Yaos or Hmongs in Thailand and Laos, Wa or Kokain in Myanmar, Pathans in Pakistan and Afghanistan), generally very attached to their tribal identity, traditions and customs.

- For these groups the production of opium, in addition to its use in traditional medicine, constituted the principal if not the only source of cash income.

- The regions where poppy was grown, except in Turkey, were practically all mountainous and isolated, lacking basic road and social infrastructure, and generally under-administered. Some regions, like part of Pakistan’s North West Frontier Province, were also characterized by high population density with fragmentation of land holdings.

- In most cases these zones were not well integrated into the national fabric, either in social and economic terms
(South East Asia) or in legal and administrative terms (South West Asia). In the best of cases they had little relationship at all with central governments; in the worst cases there was overt or potential conflict.

- It is worth noting as well that the most important zones of production in both South East and South West Asia, again with the exception of Turkey, were located in sensitive border areas. The weak state of integration into their respective countries encouraged the perception that their populations constituted a menace, or at least a destabilizing factor, to national security.

1.2 CROP SUBSTITUTION PROJECTS

The first UN project targeting poppy cultivation began in Thailand in 1971. It was followed by other similar projects in other growing areas of Thailand and in Myanmar, Laos, Pakistan and Afghanistan. Various factors led to termination of the project in Afghanistan, and the change of political regime in Laos brought the effort there to a premature end.

The central hypothesis underlying the concept of these projects was that the elimination of poppy cultivation could not be achieved without proposing to the growers a replacement crop which would permit them to live without the poppy. In effect, the projects were based on a central concept of "crop substitution".

This hypothesis implied in turn certain others. First of all, it was presumed that there existed alternative agricultural products capable of competing successfully with the opium poppy. Furthermore, it was presumed that adequate agricultural technology existed to permit without too much difficulty the introduction of these new crops into the production systems, often archaic and difficult to modify, that were used in the mountainous zones where poppy was grown (e.g. the ecologically destructive slash-and-burn agriculture in South East Asia).

Taking into account the limited resources available in the 1970s (for example, the UN had only US$ 2 million for the first project in Thailand, which was spread over five years), it was out of the question to envisage large-scale development programmes. This fact, combined with the absence of any prior experience in this type of work, led the UN to opt for "pilot projects" in limited areas of the production zones.

It was explicitly assumed that these undertakings would result in the elimination of opium poppy and its replacement by other crops in the zones of direct project intervention. In a more implicit way, it was hoped that the success of these pilot projects and the eventual availability of additional resources would permit the extension of the crop substitution effort to other zones adjacent to the pilot area, eventually leading to the total elimination of the illicit crop in the country concerned.
Even at this early stage, however, there was recognition in some quarters that the elimination of opium poppy would require much more than simple "crop substitution". Successful elimination of poppy would require not only a major rural development effort but would depend as well on the capacity (especially financial) to go beyond the micro-local "pilot project" stage to reach all the zones of poppy cultivation.

The application of the relatively narrow concept of "crop substitution" gradually revealed in concrete terms through the 1970s that certain of the basic hypotheses on which the concept was based were correct, but only partially. They were also partially incorrect. Experience rather rapidly revealed the limitations, the gaps and especially the insufficiencies of the strategy.

1.3 POTENTIAL AND LIMITATIONS OF CROP SUBSTITUTION

1.3.1 Technical limits

The adoption of the crop substitution concept led immediately to the need to identify one or more replacement crops. On the purely technical agricultural level this posed major agronomic and economic problems.

In South East Asia the production of opium poppy is part of an extensive agricultural system built around itinerant slash and burn techniques. This production system, based on a long fallow period, has the advantage of not requiring the addition of chemical nutrients but permitting natural replenishment of soil fertility, provided that population density and shortage of available mature forested areas do not require too rapid return to fallow areas. If these conditions are not met, the inevitable result is erosion and permanent loss of soil fertility.

In reality, the technical problem of introducing new crops cannot be separated from the broader problems related to intensification and modernization of the prevailing itinerant cultivation systems through capital investment and other inputs, a process which would permit the stabilization of the cultivators themselves. However, techniques of modernization of agriculture systems based on burning as a land clearance technique, incorporating sustainable hillside cultivation combined with anti-erosion and various soil fertility restoration measures, were not yet mastered or even widely enough tested to be of use at the time the crop substitution projects were launched.

The first projects thus had as a preliminary task the design of new production systems and crop rotations. This was undertaken especially through applied research in universities, for example at Chiang Mai in Thailand, while FAO offered advances in hillside/slope cultivation techniques; but important work was also carried out through empirical field tests carried out by the crop substitution projects themselves. The need first to develop these production systems explains in large part the slow pace of the substitution process visible on the ground in the project areas. The unavailability of knowledge at the beginning of the projects
also explains certain purely technical mistakes which were made, notably with regard to the preservation of natural resources.

Despite the considerable progress now achieved in this area after twenty years of experience, some agro-technical aspects of crop substitution still have no adequate solutions. Applied research thus constitutes even now an important, and relatively costly, element of crop substitution.

During the second half of the 1970s, several plant species likely to be successful as substitute crops had been identified on the sole basis of their suitability to soil and climatic conditions and the feasibility of introducing them into traditional though rapidly modernizing production systems. For example, in Thailand the production of flowers, vegetables (Chinese cabbage), kidney beans and coffee finally gave good experimental results.

In South West Asia, particularly in Pakistan, opium poppy cultivation presented fewer strictly technical challenges because it was already integrated into modern, more intensive systems of rotation using well tested technology. Substitute crops successfully tested included mint, certain varieties of wheat and maize, tobacco, seed potatoes, onions and fruit trees.

1.3.2 Technological and economic context of crop substitution

Each crop identified in both South East and South West Asia brought with it a new set of problems whose solution, generally quite expensive, determined in part the "competitiveness" of the crop when compared to the poppy it was intended to replace. These problems included processing, transport, storage and marketing.

On the other hand, these problems were essentially non-existent in the case of the poppy and its harvested product, opium. The opium poppy offered a set of biological and other characteristics which allowed the development of marketing channels which were simple, inexpensive and very easy for the producer. The volume of production for a single family usually varied between 5 and 10 kg per year. It almost never exceeded 20 kg, the maximum production on one hectare of land.

The product, opium, required no primary processing by the producer except perhaps to remove any large foreign matter through washing. Virtually no storage precautions were required, since opium can be kept for decades without significant loss of quality. Transport of the low-bulk, high-value crop was possible on the human back, by mule, by horse or by camel, thus overcoming the absence of road infrastructure. Lastly, the problem of marketing did not even occur for the producer, since the buyer came to him to pick up the crop.

In view of the above, towards the end of the 1970s, when the first in-depth internal evaluations of the Thailand projects were undertaken, it was abundantly clear that the real problem to be solved was not "crop substitution" in the strict sense of the term. Rather than address simply the replacement of poppy cultivation,
it was necessary to put in place new and more complex "production systems" to replace the system based on the poppy.

The need to compete against a well-established network of production, distribution, and marketing constituted one of the major factors leading to the replacement of the "crop substitution" strategy by that of "integrated rural development", ultimately leading to the "alternative development" strategy. Economic and technical provisions had to be made to ensure marketing, storage and transport of any new products. Because of the narrowness of potential markets, high infrastructure investment costs and specific marketing, transport and storage problems, numerous otherwise attractive substitute crops had to be ruled out. Finally, coffee in Thailand, especially newly developed dwarf varieties suitable for mountainous zones, proved to be the most promising in terms of possible market.

Indeed, starting with the end of the 1970's in Thailand and with the beginning of the 1980's in Pakistan, new crop substitution projects (or the extension of existing projects) began a transformation into "rural development" projects, though without truly changing their names.

1.3.3 Multisectoral nature of rural development

At the same time as specialists became fully aware of the limits of the crop substitution concept and began applying the needed corrective measures, there also developed a perception that simple crop substitution attempts, even with the addition of storage and marketing components, would be insufficient to ensure permanent elimination of the poppy, even in the zones where the projects intervened directly. The development potential generated through agricultural inputs alone (in the form of several crops, plus marketing systems) could not guarantee, even on strictly economic grounds, the permanent elimination of poppy cultivation.

It became clear that a real guarantee of long-term elimination of the poppy could only be provided if the region were to benefit from overall, diversified and multifaceted development.

This realization led to the encouragement not only of agricultural diversification but also of commercial production not directly related to agriculture. The projects were called on to become "regional development programmes" and to include, for example, the promotion of processing, the generation of new employment (e.g. for infrastructure development), the introduction of activities in entirely new economic sectors and services, as well as the development of basic infrastructure, especially in the transport and communications sector.

This concept also included the creation of alternative living conditions acceptable to the local populations. These should be similar to those in more developed regions and should include major social development activities, since it was evident that relief from poverty was not only a matter of cash income but also one of access to basic social services like education and health.
Lastly, the concept of rural development took on full stature when it became evident that opiate addiction was spreading to all parts of South East and South West Asia. First of all in production countries, then in neighboring countries, local populations not involved in poppy cultivation began to constitute an ever-growing market for opiates. The spread of heroin addiction took on monumental proportions in Pakistan and became serious in Thailand and other countries. In certain villages of Hua Pan Province in northeast Laos, more than fifty percent of the population was addicted to opium.

The development of local demand contributed in turn to the creation of a convenient and permanent market to be supplied by poppy cultivation. It thus became evident that policies targeting detoxification were called for, not only because of their intrinsic value on health grounds, but also as an indirect but important support to rural development initiatives which directly targeted supply. The sectoral objective of detoxification, consolidated through community-based social reintegration, links with and even forms part of the broad rural development policy, since it attempts to limit and ultimately to eliminate the local market for illicit opiates.

1.3.4 The road infrastructure issue

During the first phase of UN activities, certain major zones of opium production could not be included in projects because of their inaccessibility. The first pilot crop substitution projects and subsequent rural development projects had to concentrate for the most part on locations which were not necessarily of highest priority in terms of opium production but on those which were most accessible. This continues to be the case even today in countries like Laos where the projects are newer. It became evident that the expansion of economic infrastructure, notably roads, represented a conditioning factor on success in eliminating the opium poppy. This fact also contributed to the evolution of the "crop substitution" concept towards that of integrated rural development, particularly when the latter began to address entire regions rather than isolated projects.

1.3.5 Limitations of the economic approach to fighting illicit cultivation

Even though crops were identified which could on agricultural grounds replace the opium poppy, no crops or marketing channels were identified which could alone offer definitive and uncontested economic competition to the opium poppy.

The fundamental explanation for this situation could be found in a phenomenon related to marketing. The market price for substitute crops was for the most part determined by absorption capacities and fairly rigid price structures at the national or international level. The opium traffickers, on the other hand, were always able to increase rapidly and easily the price offered to the grower when the need arose. This flexibility, when added to the ever present possibility to introduce poppy cultivation
elsewhere in the same country or in a neighbouring country if pressures were too high locally, gave the traffickers a decided economic advantage.

In view of the conditions surrounding the competition between opium and the substitute products, with the advantage nearly always in favour of opium until such time as long-term broad-based economic development had been assured, it was essential to rethink the original hypothesis that the introduction of one or more substitute products would in a relatively short time create incomes similar or even equal to those from opium. Indeed, the conclusion was becoming ever more certain that there was no practical possibility to arrive at this result. It was more realistic to conclude that, at best, crop substitution could create incomes not always similar to those available from illicit poppy, but of a level sufficiently reasonable to justify a production system without poppy.

In this connection, it appeared logical to consider that a certain form of law enforcement with regard to illicit poppy cultivation was indispensable to ensure that, in cases where these reasonable income levels had been achieved or were being introduced, there would be no return to poppy cultivation solely on grounds of pure profit. Those putting forward this principle, which became an integral part of UNFDAC policy, argued that it would always be more lucrative to live from illegal activities than from legal ones. This did not mean, however, that the international community should subsidize legal activities until they reached a level of profitability equal to that of illegal activities (in this case opium poppy cultivation) simply in order to avoid the use of law enforcement measures against the illegal activities.

During the period of initial development of UN activities and practically up to the middle of the 1980s, many of the UN's supporters considered that there was an incompatibility between the approach to poppy elimination through development and the application of law enforcement in growing areas. There had indeed been unfortunate harsh attempts at law enforcement in the 1960s in Thailand, along with repeated failures of enforcement in Myanmar and Pakistan, where farmers in areas of former production took up the poppy again for various reasons. These facts supported the argument against law enforcement. Furthermore, donors to such projects were hesitant on political grounds because the governments of several countries that needed assistance in eliminating illicit poppy were involved in fighting nationalist guerrillas (Myanmar), communist or communist-sympathizing guerrillas (Thailand) or secessionist movements (Pakistan, Afghanistan) in the very regions where the poppy was grown. In fact, poppy cultivation was often supported by or directly undertaken by these groups.

However, the collapse of the communist guerilla movement in Thailand in the 1980s permitted the application of a more sophisticated approach to law enforcement against poppy cultivation. Law enforcement, synchronized with development policies, became an important enabling factor in identifying the
formula more likely to be effective in the multifaceted effort against illicit poppy cultivation.

The Thai example contributed significantly to the changing of minds on the issue of law enforcement vs. development. It was possible to specify the means of application of the law with regard to poppy growers. The approach of the Pakistani government at this particular stage, linking development strategies to gradual law enforcement, though with somewhat less clear results, also contributed to the understanding of the need for law enforcement and its role.

In the second half of the 1980s, it was recognized that enforcement actions against illicit poppy cultivation were not only justified but were indispensable when technical and economic conditions had improved or were being improved through rural development measures to a point guaranteeing an acceptable level of income and living conditions (in practical terms this meant "similar" to the level of populations in otherwise equivalent areas where poppy was not grown). Indeed, the law enforcement aspect was essential to guarantee the permanency of the poppy elimination.

The idea that a development strategy and the application of laws against illicit poppy cultivation were not incompatible was henceforth shared by the most part of the donor community.

1.4 A SPECIALIZED RURAL DEVELOPMENT STRATEGY

Towards the end of the 1970s the main elements needed to formulate and apply a new strategy against poppy cultivation were at last in place. Some of these elements had already been applied, at least partially, in most of the more recent projects.

The new strategy involved essentially the adoption of classical concepts of rural, multisectoral, integrated development, and their adaptation for specific use with populations in poppy growing areas. This specialized rural development approach promoted by the UN, later renamed "alternative development strategy", did not correspond totally to classical rural development. Notable in this respect are the following distinctions:

- One characteristic of the alternative development strategy when compared to classical rural development could be found and remains to this day in the specificity of the objectives. Both versions target overall multisectoral development of a zone or region. Alternative development, however, seeks in addition and explicitly to eliminate one crop which is generally profitable and attractive to farmers: opium poppy or coca. The low prospect for economically adequate returns on legitimate agriculture remains a hindrance to outside investment, for example by the international financial institutions.
Furthermore, while the areas of intervention included in alternative development remain basically the same as those of classical rural development (agriculture, health, education, infrastructure, etc.) the priorities with regard to timing are different. In alternative development strategy, efforts to substitute different productive activities, agricultural or otherwise, for opium poppy - that is, activities which will make it possible to undertake "crop substitution" or "substitution of production channels" - are of the highest priority. It is success in these particular efforts that is the principal and most urgent prerequisite for the outlawing of poppy cultivation in a given area.

Flexible law enforcement against cultivation, carefully timed to be supportive to the development effort and applied once the basic conditions for acceptable alternative living standards are achieved, should in effect be considered as an integral and fundamental part of alternative development. The concept might be described as community commitment to "negotiated" law enforcement.

At the very moment when the alternative development strategy emerged from its formative years in the 1970s and began to be applied in a growing number of countries, the world was confronted with a veritable explosion of opportunistic illicit cultivation in Asia (poppy) and especially in Latin America (coca).

This aggressive expansion in illicit cultivation would provoke major debate as to the advisability and the possible means of financing the elimination of the illicit crops. The debate would contribute decisively to the clarification of the overall policy principles and to the definition of operational modalities. It would also lead to what might be called "technical adjustments" in the programming of alternative development projects.


2.1 OPPORTUNISTIC EXPANSION OF CULTIVATION: A NEW CHALLENGE

With the arrival of the 1980s, production of opium and/or coca expanded considerably both in Asia and Latin America, as can be seen in the tables below. Not only did "traditional" production increase in both regions, but opium poppy appeared for the first time in several Latin American countries, where it was not a traditional crop. This was the case in Brazil, Guatemala and Colombia. With regard to Mexico, earlier relatively small amounts of production had undergone considerable growth by the end of the decade, at the same time as Colombia began to show a rapid growth in area cultivated.
### Possible Net Opium Production, 1971 and 1988-1992 *

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### Possible Production of Coca Leaf

<table>
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<td>0.2</td>
<td>0.3</td>
<td>0.3-0.5</td>
<td>0.4</td>
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</tr>
</tbody>
</table>

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* US estimates, March 1992. Based on production potential of area planted; destroyed crops not taken into account.


*** Production in Pakistan peaked in 1979 at some 800 tonnes.

**** No official estimates available for 1971 for Thailand and Laos; Other sources estimate that for 1972 the two countries together produced about 200 tonnes, roughly divided as indicated.

*****US estimates, 1990. The figures have only an indicative value as to order of magnitude; they may be contradicted by other estimates.

N.B. The United Nations takes no responsibility for any specific figures cited in these tables. They are intended to indicate trends.

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2.2 New Conditionalities for Assistance

2.2.1 THE DEBATES OF THE 1980s
From about 1985 onward there was consensus as to the need for a strategy based on massive integrated rural development as a means to achieve eventually the level of development necessary to put an end to illicit drug production. This strategy presupposes, of course, parallel action in the areas of prevention and control of demand.

In view of the increased risks posed by growing production levels, formal and informal discussions have occurred on a near-continuous basis (sometimes rather polemical) among governments, in public opinion, in UN circles, and among the donor community as to who precisely should bear the cost of action against this expanded cultivation in producer countries. The underlying issue was an effort to define the ultimate limits of international assistance and the conditionality which should be part of it.

One very strong point of view, held primarily in Latin America, argued that since the principal beneficiaries of the fight against production and trafficking of drugs were the industrialized countries, they should bear most of the costs, either through bilateral aid or through the UN, of the overall effort against drug abuse, including those associated with reducing the supply of illicit drugs. The most extreme versions of this argument went so far as to demand payment of financial damages to cover the loss to individual countries when they abandoned drug production. Along similar lines, the view was held by some that illicit production and its expansion were justified by the inadequacy of the aid being provided to these countries to resolve their overall development problems. According to this point of view, the solution to the broader development problems was a prerequisite for the elimination of illicit drug production.

Most members of the donor community, and the UN as well, could not accept such arguments as justifications for the provision of assistance.

It was nevertheless abundantly clear that the need existed for international assistance to producing countries to control both production and trafficking. The need was based on the fact that the production took place for the most part in poor countries which were not in a position to organize and finance with their own resources the necessary costly and difficult actions.

The necessity of providing assistance could not imply that the obligation to eliminate poppy and coca was strictly linked to and dependent on the assistance obtained. Similarly, it was out of the question to wait to act on the drug problem until after countries' overall development problems were solved.

For the UN, as for most donors to its drug control activities, the obligation to eliminate illicit production existed independently of the amount and volume of aid to be provided and irrespective of a country's economic and social conditions and of its style of governance. The obligation to take action against illicit cultivation and production is rooted in morality, in the international treaties, in national laws and finally in the self-interest of affected countries. To tolerate expansion of
production and trafficking of illicit drugs to the point where they intervene organically in the economic circuits of a country and contribute in a significant way to the national product leads to societal breakdown and moral collapse unacceptable to the country itself, just as in the case of abuse in the so-called "victim countries". Tolerance of illegal activity inevitably has social, economic and political costs, as can be seen in recent cases in Latin America.

The UN drug programme and most of its few donors considered that illicit cultivation should be forbidden and eliminated, and that those who earned their living from it should receive the necessary assistance. Nevertheless, while these two initiatives - elimination of drug crops and assistance - might well be accomplished in parallel, they were not to be perceived as interdependent.

2.2.2 Confirmation of basic principles

The view was held by the specialized UN drug bodies that the UN could not, for reasons both of principle and of resource availability, undertake on its own the financing of the overall socio-economic development of countries facing expanded drug production. While the UN drug programme did indeed base its strategy on a specific form of multisectoral rural development, it was not and would not become a general rural development agency.

Based on these considerations, the principal functions of the UN drug programme and their practical application were analyzed and summed up as follows:

- On the basis of the international conventions in force, poppy and coca cultivation are illegal (except for recognized medical, scientific or industrial use). The principal function of the UN in this context is to reinforce the capacity and commitment of governments to meet their obligations under the conventions.

- The development-related drug control activities of the UN are strictly oriented towards the elimination of raw materials used to make illicit drugs, complemented by actions against illicit traffic and abuse. In this connection, the intervention point for the UN with regard to raw materials is the illicit cultivation areas. These zones are for the most part relatively isolated, often plagued by ethnic conflict or political opposition, and under limited influence of government administration; they are areas where it is often difficult to justify development assistance on purely economic grounds.

- In the same context, specific interventions of the UN drug programme should last only as long as the basic socio-economic conditions required for the elimination of illicit cultivation have not been met. Specialized UN intervention should end and be replaced by other sources of financing and by other national and
international institutions once the minimum conditions have been met to ensure sustainable development in former poppy or coca zones. It is important to note in this connection that, as pointed out earlier, the meeting of such conditions does not necessarily mean the achievement of equal or higher revenues than those available from illicit poppy or coca.

The opportunistic expansion of illicit cultivation and the resulting corrections and clarifications in policies and intervention criteria had a considerable effect on the way the UN applied its strategy of alternative development. The result was the successful completion of the formulation process for a number of elements essential to the operational alternative development strategy which is now a viable instrument of policy.

2.3 CHANGES IN OPERATIONAL APPROACH

The adjustments made in the alternative development strategy involved on the one hand technical reorientation and modification of project concepts and on the other hand greater promotion of new planning tools, especially Masterplans.

2.3.1 Disappearance of the distinction between the concepts of traditional cultivation and opportunistic cultivation

Until the end of the 1970s it was generally recognized that illicit poppy and coca cultivation were traditional crops. During the 1980s the need was felt, as a result of the expansion of cultivation into new areas, to make a distinction between "traditional" cultivation zones and "non-traditional" or "opportunistic" cultivation zones.

In traditional zones the producers had historically practiced poppy or coca cultivation, initially without intending to contribute to illicit traffic in the raw materials or their derivatives. In these zones, opium poppy or coca most often constituted the only cash crop. To a large degree the poppy or coca cultivation and the local "traditional" use of opium or coca leaf were felt to be integral parts of the local culture and should be treated as such, at the same time as careful efforts were made to eliminate what might be called "diversion of production for non-traditional use".

"Opportunistic" or "non-traditional" cultivation was a different matter altogether. Its roots and its day-to-day reality were based uniquely on the desire to make a profit from the growing demand for drugs in the illicit traffic. "Opportunistic" producers were themselves conscious of the harmful and illegal nature of what they were doing. Prior to 1975 there were relatively few production zones which could truly be classed as opportunistic.

The increase and geographic expansion of poppy and coca production during the 1980s were clearly opportunistic, even if the increase often took place in regions where the cultivation
had formerly been traditional in nature. In such cases the increase was usually provoked by criminal elements seeking profit or in some cases motivated by political factors and a desire to destabilize the existing power structure.

Both the factual reality and the psychological and subjective aspects of the distinction between traditional and opportunistic cultivation began to blur from 1975 onward and became by the 1980s, for the most part, purely academic. Governments, particularly in Latin America, had been hesitant to intervene in "traditional" growing areas to help the local populations find alternative sources of revenue and ways of life. In addition, it had proven difficult to generate the levels of funding required to insert these growing areas into the mainstream of national development. They thus became areas of more or less "tolerated" production. This of course facilitated contacts between the growers and the traffickers, who gradually and finally overwhelmingly imposed their own policy of expanded cultivation.

Against this new reality, the UN recognized that criteria for providing assistance could no longer be based on the distinction between traditional and opportunistic cultivation. A priori, all zones of production are possible targets for assistance. For example, the UN-assisted Chapare project in Bolivia addresses regions of non-traditional cultivation.

The dangers of this policy are very real. It could encourage a type of "blackmail" in order to receive assistance and in so doing could actually promote the spread of illicit cultivation into new areas. These risks are probably manageable if careful attention is paid to the nature of the assistance likely to be provided. Taking into account the broad principles of participatory development, anti-drug assistance can take the form of support to law enforcement efforts if needed. Assistance in the form of rural development is limited to areas where there exists a degree of genuine economic dependence on the drug crop. Furthermore, more sophisticated participatory approaches in areas of opportunistic cultivation can also offer some prospect for success.

2.3.2 Participatory and contractual approaches

In poppy and coca growing areas, especially where opportunistic expansion of cultivation has occurred, various cultural and social aspects of the phenomenon have been identified which go beyond the purely economic concerns and need to be taken into account to reach the goal of eliminating illicit cultivation. In traditional growing areas, illicit cultivation is a basic element of the ethnic sub-culture, while in the case of opportunistic growing areas there is a link, sometimes quite strong, with criminal groups which encourage the cultivation. Change of attitude towards illicit cultivation and the breaking of the links between growers and criminal elements are two principal conditions for interrupting the expansion of illicit cultivation and then reducing it. Recognition of these facts has led to the inclusion in new alternative development projects of genuine participatory and contractual approaches.
The participatory nature of the approach takes operational form through the decision to undertake the project’s development activities involving a variety of governmental and non-governmental agencies already enjoying contact with the village communities and already familiar with their problems and needs. In addition, measures are taken to ensure that the target villages participate actively, not only in the planning process but also in the implementation.

The contractual nature of the approach leads in practice to negotiation of the trade-off between development assistance and elimination of illicit cultivation.

In a first phase which generally lasts two years, the objective is simultaneously to prevent further expansion of the illicit cultivation and to establish a climate of confidence with the target populations and their natural leaders. In this phase negotiations are begun between the populations and the project representatives on the assistance which will be provided in exchange not for the elimination of the illicit crop, but for stopping its expansion. The agreements reached can be formalized if needed. Their effectiveness depends primarily on the quality and the completeness of the information given to the concerned populations. In a second phase, the strategy involves negotiating an increased assistance in return for gradual decrease and eventual total elimination of illicit cultivation. The success of this approach has been demonstrated in several recent projects, notably those in Cauca (Colombia), in Los Yungas (Bolivia), in the valleys of La Convencion and Lares and in Tingo Maria (Peru), in several areas of Thailand and in the districts of Buner and Dir in Pakistan.

This participatory and contractual approach to the populations represents a major element to ensure viability and sustainability.

2.3.3 Forced eradication actions

The initial reaction of governments faced with opportunistic expansion of illicit cultivation, especially in Asia, was to undertake forced eradication. In Thailand and Myanmar starting in the late 1960s and during much of the 1970s, the basic government policy was to eliminate the crop by force, in application of the law, either by uprooting, burning or spraying the plants. One of the unintended results of this initial policy was that in many areas, growers who received no assistance developed more and more opposition to the government and came under greater and greater influence of drug traffickers and rebel groups.

In South West Asia, especially in Pakistan, similar experience pointed out the risks and the limits of such policies. As a matter of principle, forced eradication without development assistance is not part of the alternative development strategy. Nevertheless, although the UN has never participated in direct eradication operations, the organization has in certain cases indirectly supported eradication campaigns in specific areas where for a variety of reasons, often political, temporarily rule out application of an alternative development strategy. Another type of assistance altogether is that provided to governments, on a
careful case by case basis, to reinforce their capacity to deal more effectively with drug traffic. This type of assistance is also not part of the alternative development strategy, even if it can in some cases complement it.

2.3.4 Direct compensation strategies

Another strategy used occasionally by bilateral donors in the past, particularly during the time when opportunistic production was expanding rapidly in Asia, involved the provision of direct subsidies to producers in order to prompt them to give up poppy cultivation.

This type of policy proved rather quickly to be of limited value. The authorities did not have the means at their disposal to prevent the farmers from starting up cultivation again after payment of the subsidy or from simply planting their illicit crop elsewhere. Furthermore it quickly became obvious that the recipients of the subsidies were not able without adequate technical assistance to invest the funds effectively in activities which would create alternative sources of income. Lastly the direct subsidy policy tended to create the expectation among recipients that the subsidy would be repeated; this of course created a significant risk of encouraging other farmers to start growing poppy in order to receive a subsidy.

The policy of direct subsidy, which has never been applied by the UN, is not considered to be an element of the alternative development strategy.

2.4 FINANCIAL REQUIREMENTS AND MASTERPLANS

2.4.1 Mobilization of resources

During the period when the concepts of alternative development were emerging, the UN did not have the means required to apply them. It should be recalled that the funds available for the initial crop substitution projects in Thailand and Pakistan were respectively US$ 3.4 million for seven years and US$ 2 million for five years.

The funds which the organization had at its disposal were already insufficient for the much narrower crop substitution projects. They were obviously even less adequate if the concept was to be expanded to include activities addressing market development, agro-industrial diversification, road construction and other infrastructure work. Yet all of these were part of basic rural development.

Resource needs continued to be one of the main problems faced in the early 1980s in attempting to eliminate cultivation of poppy in Asia and coca in Latin America. Funds available were not sufficient to convert crop substitution projects to alternative development projects, much less to expand them from small-scale pilot projects to programmes and projects covering the whole of the production zones.
From 1975-76 onward, the UN had undertaken special efforts to raise funds from a variety of sources for projects and programmes larger than the initial crop substitution efforts. After a difficult beginning marked by considerable skepticism, the first breakthrough came from Norway. This country accepted in 1977 to finance the entire UN drug-related assistance programme in Myanmar (except for law enforcement components). Support was later extended to Thailand as well. Sweden and then the Federal Republic of Germany rapidly followed suit and financed large programmes in Afghanistan, Pakistan and Laos. Other sources of funding followed, particularly to support the various Masterplans which were being developed. For example, Canada, Italy, the Netherlands, the United Kingdom and the United States all agreed to support the Masterplan for Pakistan. Bilateral projects were also undertaken within the framework of some of the Masterplans.

While the annual budget of UNFDAC, the technical cooperation arm of the UN drug machinery, was only US$ 2.5 million in 1973, it reached US$ 10 million in 1978, US$ 13 million in 1984 US$ 21 million in 1986 and US$ 31 million in 1987.

Furthermore, starting in the 1980s, major contributions from private organizations were also channeled to efforts against production of drug crops. A prime example was the support provided by the Norwegian Church Aid to the UN's work in Thailand.

The current budget (1993) of the UNDCP technical cooperation fund is US$ 82 million, which finances 125 projects in 63 countries. The resources are still insufficient, however, in the light of the tasks to be accomplished and the responsibilities to be assumed.

2.4.2 Masterplans

The complexity of the alternative development approach and in particular its multisectoral nature, the need to cover all producing zones in order to arrive eventually at total and permanent elimination of the illicit crops, and especially the need for more funding made it clear that new planning techniques were required.

Towards this end the UN introduced the concept of Masterplans, starting around 1985. The specific characteristics of these "Drug Abuse Control Masterplans" are, insofar as illicit production is concerned, that they not only envisage the elimination of production by a multisectoral rural development approach but that they also target coverage of all production zones in the country in order to achieve total and permanent elimination of the illicit crops. A national Masterplan thus comprises various regional alternative development projects and programmes so as to cover all the production areas.

Masterplans are of course not restricted to the elimination of illicit production of raw materials. They include measures targeting the prevention of abuse and the reduction of illicit drug use, as well as activities against illicit traffic. They
are complete instruments presenting policy, strategy, institutional requirements and resource needs for addressing the entire drug problem.

Masterplans are based on an exhaustive analysis of the drug problems in a given country. Their preparation implies an assessment of all the activities already being carried out to control production, consumption and traffic of illicit drugs, along with all the measures which will need to be undertaken towards the eventual elimination of drug abuse and of the production of illicit raw materials in the country.

Masterplans present the various projects and activities in a coherent manner, show the linkages among them and underline their chronological and spatial synergy. By examining the total picture and its component parts at the same time, it is possible to understand how a multiplicity of approaches can focus on the clear objectives of eliminating abuse and illicit production of drugs.

In addition to their primary function of serving the planning needs of governments, Masterplans have also been useful instruments for fund-raising. Donors and other outside partners can more easily see the role, the place and the specific usefulness of their investments in the context of an overall scheme for fighting drug abuse in each country.

Lastly, because they offer a practical framework for the launching of projects and programmes, they encourage coordination among donors and among those responsible for execution of individual projects falling within their mandates.

The design of Masterplans has proceeded gradually and is at different stages in different countries. Two basic approaches can be followed in developing Masterplans. They can be designed incrementally, whereby separate sectoral or even geographical interventions are built up and welded into a comprehensive national Masterplan. They can also be designed from a central starting point, with specific interventions identified and developed on the basis of a more or less clearly established nationally standardized plan.

An interesting case is Thailand. The Government has gradually expanded the coverage of illicit growing areas and has now reached the last few remaining pockets, through successive five-year sectoral alternative development plans. At the same time, action has been built up against trafficking and abuse throughout the country. The result is an emerging comprehensive national plan.

In Myanmar, the Government from the beginning in the 1970s sought UN assistance in a variety of sectors, including education, treatment and rehabilitation, illicit traffic and agriculture/rural development. Interventions in the growing areas were limited and scattered at first but led by 1985 to the drawing up of a strategy and sectoral plan covering all opium production zones. However, the political situation and internal conflicts which prevailed at the end of the decade led to a refusal by many donors to pursue assistance to this country. The plan was virtually put on hold.
In Laos, the year 1982 marked the renewal in the country of the official effort against drug abuse, following the abandonment of the activities in 1975. A project was designed targeting poppy cultivation in Vientiane Province. Several other projects followed, financed by the UN and by various bilateral and other multilateral donors. A Masterplan is in final approval stages at present.

In Pakistan, as the UN's Buner project neared completion in the early 1980s, bilateral resources enabled the expansion of rural development activities into additional areas of poppy cultivation. At the end of 1983, a partial Masterplan, the "Special Development and Enforcement Plan for Opium Producing Areas", was designed and launched. A central coordination and financing role was given to the UN.

In Latin America, where the international community began to intervene on a large scale during the period 1982-85 to fight production of coca, the UN was in a position, in contrast to the situation which had prevailed earlier in Asia, to finance immediately the launching of much larger programmes. There was major investment in regional multisectoral rural development projects incorporating agriculture, infrastructure development, diversified income generation schemes, marketing, health, education and other elements. Some of these initiatives are of such a scale as to be almost Masterplans in themselves, though limited to one specific geographic area. Full-fledged structured national Masterplans, covering all sectors and all parts of the country, are only now starting to be developed, with Bolivia well advanced in the process.

The Masterplan process is being used effectively in other countries where there is no illicit production of narcotic raw materials. It is particularly useful in countries where there is such illicit cultivation, however, since it offers the possibility to examine the complex inter-relationships among various aspects of the drug problem, at the same time as it provides a useful framework within which alternative development projects can be designed and given the appropriate priority.


The basic alternative development strategy, which can be said to have reached maturity. When the political conditions permit, the application of the strategy, adroitly combined with carefully planned and gradual law enforcement measures, permits in a relatively short period of time the stemming of the expansion of cultivation of illicit raw materials. It also permits over a longer period of time the gradual and eventually complete elimination of the illicit crop in defined regions.

A number of important observations that can be made following its application over a period of a dozen years are the following:
- In Thailand and Pakistan, the projects undertaken against poppy cultivation show the effectiveness of the method. In these two countries, the policy of crop substitution was replaced by a policy of broader support to include marketing and by a multisectoral diversification of activities and investments. Possibilities for alternative ways of life emerged, and the illicit production of poppy in the zones where the strategy has been applied have diminished very significantly. In Latin America as well, local successes are noteworthy, both in Bolivia and Peru, where its has been possible to eliminate thousands of hectares of coca.

- Despite the successes, however, the objective of complete elimination remains far from being achieved. The lessons of the Thai experience, where total elimination is almost a reality at the national level, show clearly that full elimination will not be possible until it can be accomplished in all production zones in every country where the approach is being applied. In fact, the success obtained by UN projects does not generally extend far beyond the zone of immediate project intervention, i.e. beyond the target villages. In addition, the success achieved in these projects is often offset by opportunistic expansion of illicit cultivation in neighbouring zones or on the other side of national borders. (For example, a number of experts explain the expansion of poppy cultivation in Laos and in Myanmar in part by the success achieved in Thailand. Similar opinions are expressed with regard to expansion in Afghanistan.)

- Lastly, it is clear that the dangers of recidivism are far from negligible, as has been proven by cases of regression in both Asia and Latin America. To prevent resumption of cultivation and to ensure that the development measures take root irreversibly, each project, even those which have already been extended, will need to be extended again and expanded. The ever more important question is up to what point UNDCP, which is not a rural development agency, can and should continue to finance the consolidation/sustainability phase of projects. At the same time, the appropriate sources of funding and the levels of resources needed for these follow-up actions will have to be determined.

These observations do not call into question the validity of the alternative development strategy as an instrument for eliminating illicit crops in defined areas. But they do raise the question of the inherent limits on the effectiveness of the strategy and of the role of external factors which condition its applicability.

3.1 RANGE OF EFFECTIVENESS OF THE ALTERNATIVE DEVELOPMENT STRATEGY
Although the alternative development strategy constitutes an irreplaceable and perhaps unavoidable instrument for action against illicit cultivation, it cannot be expected to provide on its own solutions to problems on which it has no effect, such as:

- possible recurrence of production in zones where it has been eliminated.
- emergence of illicit cultivation in neighbouring zones within national borders or across them.
- opportunistic expansion of production in new areas at the instigation of criminal gangs.

Solutions to these problems, which are in fact related to the issue of sustainability, are largely determined by external political, financial and organizational factors. These factors are unfortunately not always favourable, and although UNDCP may contribute to ensure the necessary conditions, it cannot on its own create them.

3.2 EXTERNAL FACTORS AFFECTING THE SUCCESS OF THE ALTERNATIVE DEVELOPMENT STRATEGY

3.2.1 Political accessibility to areas where illicit raw materials are cultivated

The alternative development strategy cannot be widely applied in the largest poppy-growing zone of the world at present, the Shan States of Burma (Myanmar), because of the prevailing political conditions in the country and the persistent conflict related to aspirations for greater local autonomy.

In Afghanistan, the dispersal of political power into multiple local power bases limits the opportunities to apply the strategy, at the same time as opportunistic expansion of poppy cultivation is rampant.

In certain cases political inaccessibility takes a legal form. The legalization of coca cultivation in zones of "traditional" cultivation in Bolivia prevents the introduction of alternative development activities in those areas, although they constitute possible bases for opportunistic expansion of cultivation.

Political inaccessibility is not irreversible. Whereas operations against illicit poppy in Laos were stopped in 1975 following the change in government, they were resumed in 1985-86.

3.2.2 Political commitment to action against illicit cultivation

Mafia-type groups and specialized drug trafficking groups in both Asia and Latin America play a major role in the opportunistic expansion of illicit cultivation of poppy and coca. These groups use more and more sophisticated technical means, especially in Latin America (major conversion facilities in the
growing areas, air transport). Monetary flows related to drug production and trafficking are so great that they can destabilize national economies. The drug problem in Latin America is becoming not only a social issue but also a highly political issue, to a degree unknown in Asia. In certain countries the situation has deteriorated to a point probably beyond the reach at present of normal development and law enforcement measures.

It is obvious that the elimination objectives cannot be attained on the sole basis of economic development and classical law enforcement. Success will require the launching of a political process which will lead to a rejection of "drug business" not only by producers but by the society at large. The embracing of the basic principles of the fight against production and traffic of drugs and the firm commitment of governments and of direct recipients of assistance are essential criteria and a precondition for the launching of alternative development projects.

3.2.3 New financing needs

The experience with the initial crop substitution policy and with the more recent alternative development strategy indicates that action against illicit production of raw materials used to produce drugs is extremely expensive. This is a result not simply of the difficulties involved in undertaking multisectoral rural development operations in regions which are often very isolated. It also reflects the fact that these operations must be undertaken in an environment of competition where the power of the "competitors" requires "special investments" involving supplementary costs.

The new needs for financial support are those which will be required to go beyond the stage of "pilot projects" and beyond that of "selected regional projects". There is in fact no real long-term choice but to apply the alternative development policy to the entirety of the production zones and to promote special measures intended to ensure that illicit cultivation will not expand into even more areas where it is both feasible and likely.

In addition, one of the conditions for the sustainability of the results is the continuation of rural development initiatives once the minimum conditions have been met for ending the dependence of farmers on illicit cultivation. Experience shows that without the continuation of development activities, there is an increased risk of return to illicit crops as long as there remain disparities between the former drug areas and similar areas which are more developed.

UNDCP was not created to be a classical rural development agency. Its role cannot be the long-term financing of socio-economic development, even in zones of illicit cultivation. Its role and its interventions must come to an end once the objectives of alternative development alone have been met. Responsibility for financially and technically sustaining the results obtained rests by definition with other agencies responsible for financing development. It is these agencies which must take up where UNDCP leaves off. They include governments
themselves, supported by bilateral and institutional donors, which must assure that classical development activities continue in zones where illicit drug crops grew before the application of the alternative development strategy.

3.3 THE FUTURE OF ALTERNATIVE DEVELOPMENT: A POSSIBLE FRAMEWORK

The new challenges, in particular the continuation of opportunistic expansion of illicit raw materials production, call for new orientations and new measures. Innovations are needed at the level of content and methodology within the alternative development strategy. They are also necessary at the broad strategy level in order to improve the external conditions facilitating application of the strategy.

A major effort must be made to apply and no doubt adjust the alternative development strategy to the different levels of challenge encountered in different regions and countries. Given the importance of this exercise, it is worth examining the possibility of differentiating and planning UNDCP alternative development projects in keeping with the following categories:

* Category 1: Alternative development plans for zones of long-standing production, where the dependence of farmers on illicit crops (traditional or opportunistic) is deeply rooted. These projects require interventions which are relatively long-term (5-10 years) and extensive, in terms both of the various developmental inputs and the phased law enforcement actions. They must include a planned phase of gradual transfer of responsibility from UNDCP to the government and to other sources of financing.

* Category 2: Alternative development plans for zones of recent opportunistic cultivation. These projects also require important developmental inputs, but the participatory elements and the law enforcement component would probably be relatively more important. The objective to be attained by projects of this category and of the preceding category is the rupture in the short term of the dependency of farmers on the illicit crop. The long-term viability and sustainability of the results achieved should be the responsibility of programmes of consolidation and sustainable development.

* Category 3: Programmes of consolidation and sustainable elimination of illicit cultivation. Projects of this type involve zones and regions where alternative development projects have already been completed. UNDCP might need to make an investment, but always with other financial and operational partners, during a transition period leading to a consolidation of the results achieved in the alternative development phase.
* Category 4: Prevention programmes. Activities of this type involve zones of possible or probable opportunistic expansion of illicit cultivation. Alternative development inputs have only a limited place here or even none at all. Even if undertaken, such inputs should not be financed by UNDCP. It would be appropriate, however, for UNDCP to finance surveys and develop institutional means for prevention (administrative positions, "monitors" of illicit production and perhaps assistance to put in place the local instruments of prevention of law enforcement).

Obviously, other sources of funding could be associated in such projects to provide support for preventive rural development measures.

* UNDCP should intensify its efforts to encourage governments to adopt drug control Masterplans. These plans would provide strategic underpinning and commitments based on long-range perspectives for projects and sub-programmes clearly defined in line with the above categories, so as to improve the prospects for sustainability and for fund-raising.
PART II

Alternative Development as an Instrument of Drug Abuse Control:
Future Perspectives of Alternative Development
1. EXPERIENCE ACQUIRED IN THE AREA OF ALTERNATIVE DEVELOPMENT: PRELIMINARY REMARKS

In order to determine the scope and future prospects of any alternative development policy, that policy first has to be set within a general context so as to provide an overview of the problems involved. This necessitates some preliminary remarks, based on the experience gained by the international community in the area of alternative development.

These remarks relate to:

- The different causes that, in varying degrees, have contributed to the recent expansion of illicit cultivation;
- The relative position occupied by crop reduction action within the overall anti-drug efforts being pursued;
- The main conditions under which action taken in the producing countries themselves can be efficacious, and
- The factors that have so far limited the effectiveness of alternative development schemes.

1.1 Reasons for the expansion of drug crop cultivation (indicative typology)

Among the main causes that have contributed to the increased cultivation of narcotic plants, a distinction can be made between those causes that are external to the producing countries (i.e., factors directly related to the world drugs market or to the general terms of international trade) and those that are linked to internal factors (nationwide or local). By way of illustration, these causes can be grouped into the following four broad categories:

1.1.1 Causes external to the producing countries

(a) Factors linked to the international drugs market

- Increasing demand for drugs world-wide;
- Exceptionally high profits, owing to the illicit nature of the products concerned (narcotic plants generate very large profits that make them highly competitive in comparison with any other crops);
- Power of the drug-trafficking operators (ability to extend cultivation operations into other geographical areas or to increase producer prices as part of an international strategy);

(b) Factors linked to the current terms of international trade

- Falling prices of agricultural raw materials produced by the developing countries, which is creating
conditions favourable to the expansion of narcotic plant
cultivation (collapse of the market for some traditional
crops such as coffee and cacao, destabilization of local
farming systems, labour migration trends, etc.).

1.1.2 Internal causes in the producing countries

(a) General (nationwide) factors

- Lack of political commitment to tackle the problem, in
cases where:
  . The Government has links with the illicit drugs trade;
  . The cultivation of narcotic plants is regarded as
    beneficial to the country's development;
  . Drugs are not a priority issue;
- Shortage of technical and financial resources.

(b) Factors linked to the particular conditions prevailing
in specific areas of a country 1/

- Geographical conditions:
  . Isolated or cut-off areas;
- Socio-economic conditions:
  . Backward areas where there are no production
    alternatives;
  . Areas affected by the recession in the market for
    certain crops or areas receiving an influx of labour
    from areas in decline;
- Insufficient presence of "development agents":
  . Areas where there is an inadequate government
    presence or a lack of political control;
  . Areas where corrupt regional or local authorities
    in some cases encourage drug trafficking;
  . Lack of external cooperation projects (official or
    NGO-based);

1/ It should be noted that some of these local factors are conditions conducive
to the siting of illicit plantations rather than actual reasons that account for
the phenomenon.

- Conditions linked to internal social organization:
  . Areas lacking a sound social structure (absence of
    established, active community groups);
  . Areas where the representatives of local groups
    (growers' associations, ethnic groups, religious
movements, etc.) are favourably disposed towards narcotic plant cultivation;

- Socio-cultural aspects:
  - Association of narcotic plant cultivation with local customs and traditions;
  - Existence of deprived ethnic or social groups.

1.2 Crop reduction efforts: the need for a comprehensive approach encompassing different areas of drug abuse control action

Identifying the main causes that have contributed to the increasing cultivation of narcotic plants reveals the existence of a linkage between: (1) the factors external to the producing countries, (2) general internal causes and (3) specific regional or local characteristics.

There is increasing evidence that the external factors are extremely powerful and that they in most cases "override" the local phenomena. If one considers, for example, that the retail selling price of heroin is estimated at 2,000 times the producer price, one can appreciate the economic strength of the drug-trafficking operators and their latitude for manoeuvre in regard to local production conditions. The illegal drugs business has in recent years shown its ability to transfer drug cultivation and production sites quickly from one area to another and from one country to another, and it is also known to possess the power to cause producer prices to vary, with the aim of countering the drug control offensives mounted in a particular area.

Action aimed solely or chiefly at controlling narcotic plant cultivation will thus be totally ineffectual unless the pressure exerted by world demand and by the traffickers on the producing countries can be simultaneously reduced.

Therefore, specific crop-reduction schemes can achieve significant results only within a general context of drug abuse control measures that are pursued on a world-wide level and at the same time tackle the other causes of the phenomenon more forcefully than in the past, through effective demand-reduction and anti-trafficking programmes.

Efforts should go even further and attention should be paid not only to the need for complementarity between the various facets of drug abuse control action but also to the effects of the world trade and development policy.

In addition to the factors linked to the world drugs economy, there is increasing evidence of the impact of other, wider-reaching factors, such as the economic recession and the current terms of international trade, which are causing local economies to become much more susceptible and vulnerable to the introduction of drug crop cultivation. 2/

1.3 Scope and effectiveness of measures undertaken in the producing countries
Viewed within the strict context of action carried out in the producing countries, the experience gained from alternative development projects highlights the following three needs of a practical and operational nature:

(1) The need for national and regional authorities to support and ultimately take over the projects;

(2) The need to secure the active involvement of local communities and organizations; and

(3) The need to have sufficient resources available to launch simultaneous and coordinated action in different areas of the country concerned.

Indeed, any action that is conducted on a local basis in specific areas and is inadequately supported by local leaders - as has often been the case in the alternative development activities undertaken so far - will not be sufficiently effective by itself to bring about a significant reduction in drug production at the national level (and even less at the world level).

The phenomena that show up the limited effectiveness of schemes of this kind are well known. They range from the possible reversal of the results achieved, once the external support is withdrawn, to the "migration" of illicit cultivation operations to neighbouring areas or countries.

It is thus necessary for certain preconditions to exist at the national level, such as a strong political commitment on the part of the Government, the active involvement of local representatives, increased public resources to combat illicit drugs within the framework of coordinated programmes, and regional liaison and cooperation.

There is also a need for the future resources that are brought into play in any country to be sufficient to reach a certain critical mass, below which the effectiveness of isolated action cannot be guaranteed.

2/ This would also entail thought being given to the commercial initiatives that should accompany and assist the efforts to combat certain countries' increasing specialization in the cultivation of narcotic plants.

It is therefore important that the alternative development activities pursued in a given country should be coupled with technical and financial support from several donors and be combined with action of other kinds, such as measures designed to foster political commitment or to strengthen the ability of the State and of local groups to intervene.

1.4 Involvement of the public in alternative development projects

It is becoming increasingly evident that the continuity of the schemes themselves depends not only on institutional factors - such as those referred to - but also, and more important, on the degree of acceptance of the project's aims by the local community and by its official and unofficial representatives.
This social and community dimension of the drug control problem has so far not received the attention it deserves. In particular, no in-depth studies have been made of the reasons for the collective decisions that have led to the expansion of cultivation, or of the nature and interests of the social groups that form part of the various communities, or of their attitude towards the cultivation of narcotics-containing plants.

Alternative development projects have often been characterized by a technical and micro-economic view of the problems, and attempts have been made to win over the growers through a logic that is more individual than collective and that relies on two principal arguments:

1. The financial return on the various types of crops, and
2. The law enforcement factors that might induce farmers to opt for less hazardous production lines.

To ensure the medium- and long-term sustainability of any action undertaken, the future support of the local and community power structure (ethnic groups, growers' associations, religious and other movements, NGOs, etc.) is essential. To secure that support, it will be necessary for those representatives to be consulted and involved in formulating and implementing the schemes.

2. THE FUTURE OF ALTERNATIVE DEVELOPMENT

Bearing in mind the above general remarks, it is necessary, when devising an alternative development policy, to distinguish between:

1. The kind of comprehensive strategy of alternative development that can be proposed to the international community and
2. The specific areas of possible UNDCP involvement within that strategy.

2.1 A comprehensive strategy of alternative development

2.1.1 Need for an appropriately-targeted overall strategy

UNDCP should assist in making the international community aware of the necessity for greater coordination and of the urgent need to establish the guidelines of an overall strategy in order that alternative development activities can be effective. 3/

If the international community can be persuaded of the appropriateness of the proposed guidelines, the resources that are brought to bear for future alternative development activities could be considerably - or at least significantly - greater than in the past, which would make it possible to progress from the current stage (sum total of specific, non-coordinated pilot schemes) to a more advanced phase in which realistic crop-reduction targets could be set.
The resources available will, however, continue to be limited, if only as a result of the need - already referred to - to simultaneously pursue and increase other measures to combat illicit drugs.

It will thus in any case be necessary to devise a priority-setting and selection strategy with regard to the alternative development activities to be undertaken. It would be pointless to propose potentially efficacious solutions that would require greater resources than might reasonably be expected from an increase in internationally mobilized funds.

Viewed thus, alternative development activities clearly cannot meet all the requirements for the comprehensive development of the geographical areas concerned. Therefore, the scope of such activities has to be determined more precisely and be focused on the specific factors that cause those areas to become centres of drug production.

That calls for very careful targeting of the courses of action that can produce the highest "return" in specific terms of drug crop reduction and control.

2.1.2 Effectiveness requirements

As has previously been indicated, there are a number of preconditions that must be present if any overall strategy of alternative development is to have any prospect of proving effective. These preconditions can be grouped as follows:

3/ If the international community is unwilling to consider an overall strategy, UNDCP should stress the negative effects that such a position could have on the efforts pursued by each of the countries or organizations currently involved in alternative development schemes, and draw consequences from this with a view to the planning and thrust of its own action in this field.

(1) At the international community level

- Intensified action aimed at reducing drug demand and at combating illicit trafficking at the world level;

- Willingness of the international community to step up its efforts to bring about a simultaneous reduction in narcotic plant cultivation through alternative development programmes;

- Willingness on the part of the international community to incorporate its alternative development activities into the framework of a commonly discussed and agreed comprehensive strategy;

- Willingness of the international community to foster the political commitment of the producing countries and to provide them with technical and financial support, in particular under the master plans for drug abuse control that are formulated by the national authorities with UNDCP technical assistance.
(2) At the producing country level

- Effective political support for drug abuse control action, and specifically for alternative development programmes;

- Willingness to incorporate such action into the country's existing economic and social development programming mechanisms, in particular by using the instrument of the master plan as referred to above.

2.1.3 Guiding principles

On the assumption that these preconditions are met, the proposed comprehensive strategy would be based on a number of key ideas, which, by way of illustration, can be outlined as follows:

(1) In the efforts to combat illicit drugs, responsibility for the measures to be pursued in a given country must rest with the country concerned.

Such responsibility is not transferable and has to be assumed by the national and local authorities themselves. External intervention is no substitute for the role of these authorities nor can it make up for their absence on a permanent basis.

This general principle has not always been observed in practice, even if the projects have in all cases received the express approval of the Governments concerned. It is, however, an essential requirement for success, since the best medium- and/or long-term guarantee of the sustainability of any action undertaken is the existence of a national commitment and capability to combat drug production.

Experience has in fact shown that external intervention that takes place without the active support of the local inhabitants and authorities is clearly limited. Specific action undertaken on the basis of external initiatives and resources will produce sustained and irreversible results only if the national institutions (Government, local authorities, growers' associations, local NGOs, etc.) support that action and are in a position to take over when the external intervention phase comes to an end.

Therefore, once the measures to be implemented have been identified and formulated, account has to be taken of the position of the local leaders and of their willingness and ability to support those measures.

This also makes it necessary to actively involve these national agents from the very outset, to see to it that the activities undertaken contribute to the strengthening of their position, and to programme the gradual disengagement of UNDCP and the participating donors.

As for the producing countries, they must effectively apply the international conventions that they have signed and recognize their direct responsibility in the efforts to combat illicit drugs, including measures to control production. 4/
(2) Responsibility also attaches at the international level, since any world situation is bound to have repercussions on the producing countries, which thus become affected by problems that go beyond their ability to respond.

Particularly as regards the recent phenomenon of the "opportunist" expansion of narcotic plant cultivation, it has to be borne in mind that the Governments of the producing countries do not themselves possess the physical resources to tackle the problems arising from the isolation, deprivation or underdevelopment of certain areas within their countries, i.e., aspects that render those areas especially vulnerable to the expansion of drug crop cultivation.

The international community should therefore be willing to provide technical and financial support for specific measures that are aimed at actual or potential drug-producing areas and are designed to counter the factors conducive to the introduction or expansion of illicit cultivation.

2.1.4 Main aims

As stated above, the aims of any comprehensive strategy of alternative development need to be appropriately targeted.

4/ Alternative development projects are quite often located in areas where there is virtually no government presence. However, the national or regional authorities must be committed to supporting and ultimately taking over the schemes implemented by the external funding agencies.

Any such strategy will obviously form part of a general policy for the sustained development of the countries and areas concerned, but must set itself more specific and limited goals.

From a crop reduction viewpoint, alternative development activities should aim primarily:

(1) At overcoming the structural factors that isolate the producing areas and impede their integration into the national development process;

(2) At encouraging and developing alternatives to the cultivation of drug crops by according priority to activities that have a tradition in the area and for which potential markets exist;

(3) At supporting local groups and associations that can perform a leadership role in opposing the cultivation of narcotic plants;

(4) At intensifying the national and local authorities' administrative resources and ability to intervene; and

(5) At assessing and analysing the experience gained, with a view to the gradual development of sustainable project models capable of being reproduced on a larger scale.

2.1.5 Sphere of action
In line with the aims established, the specific projects should meet the following general targets:

(a) Preparatory phase

- Need for preliminary studies to be conducted into the economic as well as the social, cultural and political characteristics of the area, with a view to assessing the advisability of undertaking action and to determining the course that such action should follow;

- In-depth study of crop-growing and marketing conditions, with technical assistance from specialized agencies (FAO, UNIDO, etc.);

- Consultations with other donors, with a view to securing their technical and financial support for the scheme.

(b) Project and programme formulation

- Involvement of local associations and groups that can play a leadership role;

- Involvement of the regional authorities;

- Participation of a variety of funding and development agencies (NGOs);

- Negotiation of agreements committing the project beneficiaries to a gradual reduction in the cultivation of narcotic plants, including clauses governing the negotiated, gradual application of statutory bans;

- Scheduling of the phased withdrawal of the external donors, combined with corresponding undertakings on the part of the national authorities and local communities.

(c) Scope of activities

Depending on the specific characteristics of the area concerned, the following components would be developed to a greater or lesser extent:

- **Crop growing and marketing** (agricultural advisory services, loans to farmers, improvements in marketing channels, promotion of non-agricultural activities, training in farm administration, etc.);

- **Support to local associations and groups** (management development and training, improved administration of local associations, promotion of project-related activities, specific activities aimed at women and young people, etc.);

- **Awareness-heightening and instruction about drugs** (development of an awareness of the drug problem, educational programmes, etc.);

- **Institutional support** (support to local and regional authorities, strengthening of reporting and monitoring
systems, assistance in the formulation of community development programmes, etc.);
- Local infrastructure (transport facilities, communication networks, water and energy supplies, etc.).

(d) Coordination, review and evaluation
- Formation of a project steering committee comprising all the actors and the local group representatives;
- Establishment of a system of periodic review and evaluation.

2.2 Specific areas of UNDCP involvement in this strategy

UNDCP's role in any overall strategy adopted by the international community should evolve gradually so that it is not restricted to the financing of specific pilot schemes, as in the past, but is centred on three main tasks:

(1) Designing, coordinating and evaluating the comprehensive strategy;

(2) Channelling the international community's human and financial resources to the benefit of that strategy; and

(3) Providing technical assistance to the producing countries.

These functions would not be exclusive to UNDCP. The countries and organizations providing external aid should also be actively involved in such tasks. However, by concentrating specifically on these areas, UNDCP would be able to acquire the kind of international expertise and recognition that would endow it with a specialized role, as the promoter of an overall strategy, that no other individual organization or country could assume.

By way of illustration, UNDCP could become particularly involved in the following areas:

- Technical assistance to the producing countries in carrying out genuine diagnostic surveys into:
  - The economic, social and cultural conditions of the areas at risk;
  - The factors that are conducive to the introduction of illicit cultivation operations;
  - The social changes that such operations bring about; and
  - The local community leaders and their attitude to the drug problem.

- Identification of the key components of a specific crop-reduction scheme to be launched in each target region, and establishment of priority-setting and selection criteria for the activities to be undertaken;
- Technical assistance to the producing countries in the formulation of an overall strategy for drug abuse control (master plans), including, in particular, an integrated programme of alternative development covering the main risk areas of the country concerned;

- Institutional support (awareness-creation, training, provision of material facilities, etc.) to national and regional authorities and to local communities and groups;

- Establishment of international sensitization and coordination mechanisms to stimulate and channel the contributions from the different actors in support of the programmes and schemes selected under the master plans;

- Gathering, analysis and dissemination of the different countries' main experiences in the area of alternative development;

- Devising of methods for reviewing the programmes and assessing their impact.

In parallel to these tasks, UNDCP will, within the limits of its available financial resources, continue to promote specific projects in areas or in response to conditions that are deemed to be of strategic importance and that require the introduction of pilot schemes.