Alternative Development: Sharing Good Practices Facing Common Problems

ALTERNATIVE DEVELOPMENT COOPERATION IN EAST ASIA

Regional Seminar on Alternative Development for Illicit Crop Eradication: Policies, Strategies and Actions
Held 16-19 July 2001 in Taunggyi, Myanmar
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Alternative Development:
Sharing Good Practices
Facing Common Problems

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16-19 July 2001
Taunggyi, Myanmar
Drug production, trafficking and abuse and its connection with the HIV-AIDS socio-economic scourge is possibly the greatest challenge faced by the Greater Mekong Subregion in its process towards a peaceful and sustainable development. It is not just a matter of illicit crops threatening the rain forest, rather the overall human security of the Region is at stake.

Alternative development is a journey towards freedom from illicit drugs, from armed violence in isolated communities, from feudal and fragmented rural systems towards community based sustainable agricultural economies. It is not just crop replacement or illicit crop eradication, it is rather mainly about genuine freedom of villages and peasants, versus pillage and predators.

The “Regional Seminar on Alternative Development for illicit crop eradication: policies, strategies and actions,” held in Taunggyi in July 2001, provided an unique opportunity for an in-depth discussion between all protagonists, experts, and facilitators of community based drug control activities at rural level in the past decade. A great deal of best practices and lessons learned have been shared and future policies were agreed by consensus. UNDCP is proud to be associated with such results and the UNDCP Regional Centre for East Asia and the Pacific is pleased to have the opportunity to publish all these materials for the use of all concerned parties.

It is one more act of our policy of “coming out” on drugs - the more we listen, the more we learn. And putting people at the center of whatever we do, is an effective cure for parasitic and dysfunctional illicit economies.

Sandro Calvani, Representative, UNDCP
Regional Centre for East Asia and Pacific, Bangkok
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1. Overview of Illicit Drug Situation and Crop Cultivation

The Southeast Asian region continues to be a major source of illicit production for opium, heroin, cannabis and synthetic drugs. The so-called “Golden Triangle” covers most of the Shan State in Myanmar, northern and western parts of Lao PDR and northern regions of Thailand. Most opium growers are highland minority groups who live scattered in the mountainous areas above 1000 meters where climatic conditions are favourable for opium poppy cultivation. Some of these ethnic minorities, particularly in the Shan State in Myanmar, had been fighting against the central government for their liberation. For a long time, opium production in the “Golden Triangle” was controlled mostly by the local warlords who led the minority armies. The surrender of Khun Sa, a well known warlord, in 1995 and the cease-fire agreements between the Myanmar government and the minority rebel groups together with the increased illicit crop eradication efforts created positive impacts to the overall opium reduction in the region. According to the UNDCP’s Global Illicit drug Trends 2001, the total opium production in Southeast Asia has steadily declined from 2,032 tonnes in 1991 to 1,260 tonnes in 2000; 26 % of world’s total opium production. The total area of opium cultivation in the region has also declined steadily from 210,350 hectares to 128,640 hectares in the past ten years.

Despite the declining trend of opium and heroin production in the region, Myanmar remains the world’s second largest source of opium and heroin production after Afghanistan. Opium poppy is mainly cultivated in the northeastern part of the country covering most of Shan State and part of Kachin State where there are various ethnic minorities and insurgent groups. The concentrated opium cultivation areas are in the Wa and Kokang regions which account for almost 70 % of the total production in Myanmar. Since independence in 1948, Myanmar has encountered the “Drug and War” situations where certain insurgent minority groups have been involved in both illicit drug production and fighting against the central government for their liberation. After 1995-1996 as a result of the cease-fire agreements with a number of insurgent leaders, opium reduction efforts could then begin to take place in those cultivation areas. As part of the opium eradication efforts, the government has endorsed a 15-Year Narcotics Elimination Plan in 1999 with the aim to eliminate the opium cultivation, production and consumption in 2014. Over the past 9 years, opium production in Myanmar has steadily declined from 1,720 tonnes in 1991 to 1080 tonnes.
in 2000. The cultivation areas have been reduced from 160,000 hectares per year to 108,700 hectares in the same period of time (ODCCP, Global Illicit Drug Trends 2001). According to the report of the Myanmar Government, approximately 25,000 acre of opium cultivation areas have been eradicated in 2000/2001. Lately the government of Myanmar and the US have conducted a joint opium yield survey to estimate the annual opium production in the country.

Lao PDR remains the third largest country in the world for opium and heroin production. The Annual Opium Poppy Survey (LCDC 1999/2000) indicated that the concentration of opium cultivation areas in Laos cover the northern and western parts of the country particularly in Pongsaly, Luang Namtha, Oudomxay, Houphuan and Xieng Khouang. Opium production in Laos has declined from about 196 tonnes in 1991 to 167 tonnes in 2000. Laos managed to reduce the areas of opium cultivation from 29,625 hectares to 19,052 hectares in the same period of time.

With continuous highland development programmes and sustained illicit crop control, Thailand is no longer a major source of opium and heroin production. Some opium cultivation takes place in the remote and mountainous areas in Chiang Mai, Mae Hong Son, Tak and Chiang Rai. Thailand’s Office of Narcotics Control Board has conducted an annual opium cultivation survey in the target areas of 17 northern provinces. The survey discovered that opium cultivators utilized modern techniques including multiple cropping, fertilizers and water sprinkling systems to increase opium production in isolated areas. In some cases, mixed crop cultivation was also used to hide opium poppy with other cash crops to avoid detection. During the past 10 years, annual opium production in Thailand has declined from 23 tonnes to 6 tonnes in 2000. The total areas of cultivation has been reduced from 3,730 hectares in 1991 to 890 hectares in 2000. The average annual eradication has been approximately 800 to 1000 hectares. The average yield per hectare is estimated at 11.25 kg. Current highland development and sustainable alternative development projects have been primarily implemented under the support of the government and non-government agencies, the Royal Development Project and the Mae Fah Luang Foundation.

Vietnam has made significant reduction in opium production in the past 10 years particularly in areas such as Ky Son where alternative development activities have been introduced. Opium poppy was grown in the mountainous areas in the northwestern provinces of the country including Son La, Lai Chau and Nghe An provinces. Opium production in Vietnam has declined from 85 tonnes in 1991 to 2 tonnes in 1999. The areas of cultivation has also decreased from 1,740 hectares to 420 hectares during the same period. There was no report of opium production in 2000.

Cannabis Production

With regard to cannabis, there has been very little information on the cultivation and production. Evidence shows that Cambodia has been a major source of cannabis cultivation in this region. Cannabis is cultivated in Koh Kong, Kampong Cham, Kampot, Stung Treng, Preah Vihear, Kandal, Banteay Meanchey and Kratie. However, there is no reliable figures in terms of production quantity and total area of cultivation. Apart from Cambodia, cannabis is also cultivated in the northeastern part of Thailand. According to the report of the Office of Narcotics Control Board of Thailand, Cannabis production in Thailand has declined from 300 tonnes in 1993 to 46 tonnes in 2000. In Lao PDR, production of cannabis can be found in the low land particularly in the southern parts and areas along the Mekong River.
Table 1: South-East Asia opium cultivation\(^1\) in hectares

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</thead>
<tbody>
<tr>
<td>Lao PDR</td>
<td>29,625</td>
<td>19,190</td>
<td>26,040</td>
<td>18,520</td>
<td>19,650</td>
<td>21,601</td>
<td>24,082</td>
<td>26,837</td>
<td>22,543</td>
<td>19,052</td>
</tr>
<tr>
<td>Myanmar</td>
<td>160,000</td>
<td>152,700</td>
<td>165,800</td>
<td>146,600</td>
<td>154,070</td>
<td>163,000</td>
<td>155,150</td>
<td>130,300</td>
<td>89,500</td>
<td>108,700</td>
</tr>
<tr>
<td>Thailand</td>
<td>3,727</td>
<td>3,016</td>
<td>998</td>
<td>478</td>
<td>168</td>
<td>368</td>
<td>342</td>
<td>716</td>
<td>702</td>
<td>890</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>17,000</td>
<td>12,199</td>
<td>4,268</td>
<td>3,066</td>
<td>1,880</td>
<td>1,743</td>
<td>340</td>
<td>442</td>
<td>442</td>
<td>-</td>
</tr>
<tr>
<td>Subtotal</td>
<td>210,352</td>
<td>188,105</td>
<td>197,106</td>
<td>168,664</td>
<td>175,768</td>
<td>186,712</td>
<td>179,924</td>
<td>158,295</td>
<td>113,187</td>
<td>128,642</td>
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Table 2: South-East Asia opium production in metric tons.

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</tr>
</thead>
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<td>196</td>
<td>127</td>
<td>169</td>
<td>120</td>
<td>128</td>
<td>140</td>
<td>147</td>
<td>124</td>
<td>124</td>
<td>167</td>
</tr>
<tr>
<td>Myanmar</td>
<td>1,728</td>
<td>1,660</td>
<td>1,791</td>
<td>1,583</td>
<td>1,664</td>
<td>1,760</td>
<td>1,676</td>
<td>1,303</td>
<td>895</td>
<td>1,087</td>
</tr>
<tr>
<td>Thailand</td>
<td>23</td>
<td>14</td>
<td>17</td>
<td>3</td>
<td>2</td>
<td>5</td>
<td>4</td>
<td>8</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>85</td>
<td>61</td>
<td>21</td>
<td>15</td>
<td>9</td>
<td>9</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Subtotal</td>
<td>2,032</td>
<td>1,862</td>
<td>1,998</td>
<td>1,721</td>
<td>1,803</td>
<td>1,914</td>
<td>1,829</td>
<td>1,437</td>
<td>1,029</td>
<td>1,260</td>
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\(^1\)Potentially harvestable, after eradication.

Source: UNDCP, Global Illicit Drug Trends 2001
Trends and Future Challenges

Opium and heroin production in Southeast Asia has shown a declining trend over the past ten years. It is a challenge for the region to continue reducing total annual opium and heroin production. It is evidenced that Thailand and Vietnam have achieved the opium elimination target while Myanmar and Lao PDR still require a lot of efforts and resources to fulfill the goal. Therefore, it is important for Thailand and Vietnam to sustain the eradication efforts and also to share their lesson learned to the other countries. The United Nations General Assembly Special Session in 1998 endorsed a target towards eliminating or significantly reducing the illicit cultivation of opium poppy and other narcotic drugs by the year 2008. It is a big challenge for Myanmar and Lao PDR to meet the opium eradication targets set forth in their national plan and in the UNGASS.

Another major challenge in the region regarding opium production is the declaration of Afghanistan in early 2001 to ban opium production in their country after strong pressure from the international community. If the strong enforcement of the Taleban government is to continue and opium cultivation is suppressed there, it is a big challenge to monitor whether or not the situation in Afghanistan would have an impact or a balloon effect causing an increase in opium cultivation in the Southeast Asian region.

While opium production is declining, Southeast Asia is facing a serious problem of synthetic drugs and psychotropic substances. For synthetic drugs, there has been in the past few years a drastic increase in the manufacture of, trafficking in and abuse of amphetamine-type stimulants in Southeast Asia. Methamphetamine is widely abused among factory workers, taxi and truck drivers as well as youths and school students. Clandestine laboratories operate along the borders between Myanmar and Thailand and between Myanmar and China. In the production of methamphetamine, essential precursors for example ephedrine, pseudoephedrine and other chemicals are smuggled mainly from China, India and Thailand to the production sites. Due to the simple production process, there are also increasing small illicit laboratories hidden in major cities of the countries. There has also been another risk that the region may become the source of production for other new synthetic drugs particularly ecstasy. This has to be monitored carefully in order to prevent it from happening.

2. UNDCP Regional Alternative Development Strategies and Actions

Guiding Framework

The design and implementation of the alternative development efforts are guided by the principles and priorities established in the Subregional Action Plan on Drug Control under the Memorandum of Understanding and the ACCORD Plan of Action “In pursuit of a drug-free ASEAN 2015”. The ultimate goal of alternative development in this region is to eradicate the illicit cultivation of opium poppy by the year 2008 which was the target set forth by the UNGASS in 1998. To achieve the goal, alternative development projects with support of UNDCP and other national and international agencies are being implemented in Myanmar, Laos, Thailand and Vietnam where illicit cultivation of opium poppy takes place. The following regional strategies are designed to enhance the effective implementation of these country-level AD projects.

Regional Strategies for Alternative Development

- Promoting cooperation and interaction among the national alternative development agencies and projects in order to foster collective efforts in the eradication of the illicit opium cultivation.
- Strengthening institutional capacities on alternative development through technical training, seminars, workshops, study visits and attachment programmes.
- Promoting sharing of experiences, good practices and lessons learned in alternative development.
- Promoting research studies to build knowledge and understanding on alternative development.
- Promoting advocacy for alternative development.
- Facilitating regional monitoring, assessing and reporting illicit opium cultivation and eradication in the existing regional forums and meetings in order to monitor and report the progress and the achievement of the UNGASS targets.
Key Actions

- Development of an AD web page as part of the Regional Centre’s web site.
- Development of AD resources and database directory.
- Technical seminars on emerging challenges on alternative development including cross border cooperation and trade, marketing strategies and micro credit system for alternative development.
- National training on AD project planning, management and evaluation.
- On site training, study visits and attachment programmes.
- Promoting national and regional studies on alternative development policies, strategies, best practices and key success indicators to create a pool of knowledge and to foster sharing of lessons learned.
- Production of video and technical papers on best AD practices.
- Integration of AD news and information in the existing publications.
- Regional seminar on opium monitoring and assessment: sharing of experiences and formulation of future actions (possible link with the on-going global project on opium monitoring and the national opium monitoring initiatives).
- Integration of policies, strategy issues and actions on opium elimination in the annual meetings of the MOU signatory countries.


Background

As part of the strategy to promote cooperation and lesson sharing in the field of alternative development and, UNDCP Regional Centre developed a subregional project on Alternative Development Cooperation in East Asia (AD/ RAS/ 98/ C96) which has been funded by the Government of Australia. The main objective of the project is to improve the effectiveness of alternative development projects in the participating countries (China, Laos, Myanmar, Thailand and Vietnam) through increasing knowledge, skills and capabilities of practitioners and policy makers in the alternative development projects and national agencies, sharing of lessons and experiences and networking between relevant alternative development agencies.

Among various project activities, a regional seminar on Alternative Development for Illicit Crop Eradication: Policies, Strategies and Actions has been planned to provide an opportunity for policy makers and senior personnel in the participating countries to share and discuss national policies, strategies and actions related to alternative development and illicit crop eradication.

Objective

The seminar is aimed at providing a forum for the policymakers, alternative development project managers and senior drug control personnel to share information on national policies, strategies and activities in the fields of alternative development and illicit crop eradication. The seminar will also discuss lessons learned and recommendations for future development.

Seminar Activities

- Pre-meeting preparation of regional and country studies on current situation of crop cultivation and drug production, the development of policies, strategies and actions for illicit crop eradication and alternative development
- Presentations and discussion on regional and country studies and analyses
- Presentation on alternative development projects: objectives, activities, implementation modalities, lessons learned and recommendations
- Technical presentation and discussion on participatory alternative development models and practices
- Field visits to alternative development activities
- Group discussion and recommendations on:
  1. Balanced approach for AD (integration of demand reduction and law enforcement
  2. Agricultural alternative development
  3. Non-agricultural alternative development
  4. Micro credit system for alternative development
  5. Marketing strategies for alternative development products
6. Cross border cooperation and trade
7. Emerging challenges and roles of UN and international development agencies.

Venue and date of the seminar

The seminar was held in Taunggyi, Myanmar during 16-19 July 2001, with field visits to KARANGOSIA alternative development activities at Inle Lake to allow the participants to experience examples of practical alternative development activities.

Participants

The participants of the seminar include 15 policy makers or senior drug control personnel (at least 3 from each country) and 10-15 managers and coordinators of alternative development projects as well as 10-15 AD specialists and representatives of UNDCP and partner agencies.

Expected outputs

- Policy makers, alternative development project managers and senior drug control personnel acquire information and experiences on alternative development and crop eradication through the seminar and field study.
- Compilation of publishable regional and country studies as well as seminar materials for sharing of good practices and lessons learned on alternative development.
- Summary of key issues and recommendations on policies, strategies and actions for alternative development and illicit crop eradication.
Since 1980s, China suffered again from an invasion of narcotic drugs. To cope with this the Chinese Government has thrown all its resources to combat the drug crimes. The problem is even more difficult because the opium poppies are grown outside of Chinese territory. In spite of great achievements in the drug control field in China during the last two decades the narcotics problems is still spreading. We are facing a big drug challenge that costs so much. So far 32 drug control police officers, border patrol police officers, the custom officials and civil militias have died in the drug operations and more than 208 officers have been injured. Significant results have been gained in drug seizure and case breaking.

In the 11 years from 1990-2000 more than 63,263 cases have been solved in the province resulting in the seizure of 46.87 tons of narcotics. This includes: Heroin 33.65 tons, Opium 12.22 tons, Methamphetamine 998 kilograms and the arrest of 86,765 drug offenders as well as confiscation of 1,464.9 tons of precursor chemicals.

In the year 2000, 8,107 drug trafficking cases have been solved in the province resulting in the seizure of 3,118.4 kg of heroin, 833.1 kg of opium and 578.3 kg of Methamphetamine. A total of 10,292 drug suspects were arrested with 199.93 tons of precursor chemicals confiscated.

Since 1990s, while strengthening the fight against drug crimes the Yunnan Provincial Government has taken radical measures to control drugs and effective working strategies have been adopted to enhance its assistance to neighboring countries to carry out alternative development for illicit crop eradication. Under

Presented by Ms. Zhang Xia on behalf of Mr. Song Shiyin, Yunnan Provincial Narcotics Control Committee.
the guidance and coordination of the National Narcotics Control Commission, the local governments at all levels in Yunnan Province have vigorously promoted opium poppy control alternative development projects. Based on the principle of neighborly friendliness and periphery stabilization, we persist in tenets of compensation for equal value and mutual benefit by meeting mutual needs to carry out alternative development activities. The Yunnan Provincial Government encourages the local enterprise to participate in AD projects and to run businesses independently based on the rules of market economy.

Neighboring central and local governments support equal negotiations to promote AD for illicit crop eradication as well as the development of AD relevant industries. There is a special policy provided for funds, technology, markets and custom duties.

By the end of the year 2000, the Yunnan provincial government has provided over 300 million Yuan R.M.B. including large amounts of food, cash crop seeds, cash crop seedlings, have been provided free of charge or at nominal cost. Over 3000 experts and technicians of all kinds have fielded as well as the training of 500 foreign special experts.

Local governments from six prefectures in Yunnan Province including Siamo, Lincang, Baoshan, Xishuangbanna, Dehong and Nujiang are carrying out AD programs in Laos and Myanmar. The Chinese supported AD project areas covers some 29,697 hectares. These activities enable the local people living in No 1, No 2 special zone in Kachin State and No: 4 special zone in eastern Shan States to basically give up illicit crop cultivation. The opium growing areas in these 3 special zones used to cover nearly 20,000 hectares at its highest peak.

To develop AD it is imperative to involve the enthusiasm of local governments in China and its bordering countries. It would be impossible to carry out AD activities without support from the Central and local governments. At the beginning of the 1990s in Northern Myanmar the local armed forces made peace with the Myanmar Government creating a peaceful and stable environment necessary for implementing AD programs. The local governments in Laos started AD programs in Laung Namtam Province from 1993 and 3 local governments in Northern Myanmar in No: 2 special zone of Kachin State in 1991, in No: 1 Special Zone of Kachin State in 1992 and in No: 4 Special Zone of Shan State in 1993.

The Yunnan Government supported AD project areas are as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Area (ha)</th>
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<tbody>
<tr>
<td>Laos</td>
<td>4,948</td>
</tr>
<tr>
<td>Myanmar</td>
<td>24,751</td>
</tr>
<tr>
<td>Rubber plants</td>
<td>7,587</td>
</tr>
<tr>
<td>Sugarcane</td>
<td>4,682</td>
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<tr>
<td>Paddy rice</td>
<td>59,494</td>
</tr>
<tr>
<td>Other grain crops</td>
<td>1,471</td>
</tr>
<tr>
<td>Cash crops</td>
<td>1,313</td>
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<tr>
<td>Other fruit/timber trees</td>
<td>13,363</td>
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Total assistance budget estimated at 300 million RMB during ten years.

The Chinese have certain advantages to assisting AD programs in illicit crop cultivating regions outside of Chinese territory. This includes:

- Similar climatic, soil and vegetative conditions as the areas are part of the same geographic ecological region. The Yunnan authorities have experience in developing and growing many high-value added cash crops that can be grown in these regions. Other advantages include the successful experience, agricultural science and technology, fine crop varieties, infrastructure, tourism and border trade as well as processing industries and markets in Yunnan which will contribute towards achieving better social and economic impact.

There are some 16 ethnic minority groups living in the border regions of China, Myanmar and Laos. Many share similarities in clans, cultures, languages, and some related by marriage. These close links also enables the farmers in these regions to receive Chinese technical assistance and training without much difficulty.

Great economic progress and improvements are being made for infrastructure, transportation, communication and energy in the border areas. There are also some ten national and ten provincial border crossings that facilitates market accessibility. A transportation network is being
developed in the peripheral countries that provides good conditions for cross border AD projects.

Agricultural science and research as well as land reclamation institutes and agencies in Yunnan are advanced and experienced in developing agricultural resources and technology, providing a strong scientific and technical support to AD projects.

The Yunnan authorities working experience in AD has laid a solid foundation for follow-up AD efforts in the region.

Approaches taken in providing AD assistance include:

- Addressing food security
- Initiating small projects with a shorter investment cycle and faster profits. Based on real situations these projects can be extended to more large scale and longer term cash crop substitution projects.
- Encouraging awareness campaigns and education activities strictly banning drug trafficking and providing economic support to neighboring countries under the leadership of the central government and Yunnan Provincial Narcotics Control Committee.
- Drug control activities carried out both in Yunnan and in the border areas of neighboring countries. This includes blockade of sources of foreign drugs and domestic law enforcement. With the strong guidance of the NNCC, Beijing, line narcotics control agencies in Yunnan have initiated close cooperation with counterparts both in Laos and Myanmar.
- Awareness campaign activities on opium/poppy eradication are extensively carried out by Chinese border people with foreign opium growers at border market days. Mobilizing them to give up planting opium poppy cultivation. Chinese cash crop agricultural techniques are passed on to farmers in Myanmar and Laos in good results.
- In accordance with the Myanmar Central Government's nation wide actions against drug supply and trafficking, local governments are urged to develop their own drug control plans. In such circumstances the Chinese are carrying out different kinds of AD projects. The Chinese sponsored AD projects can be categorized into three kinds:
  - Free of charge or Grant
  - Repaid or Loan
  - Mutual benefiting.

At the same time booming cross border tour programs are encouraged to promote both the tertiary and the micro-manufacture industries in these foreign opium poppy growing areas. Development of local socio-economic conditions has been greatly promoted.

With the leadership and support of the Myanmar Central Government and great assistance and promotion from the Yunnan authorities there has been no large-scale opium poppy cultivation in special zones 1 and 2 of the Kachin state. There are still small areas of opium poppy cultivation secretly grown in these areas. Since the mid 1990s no 4 special zone of the Shan State has been a drug free zone and the people are experiencing a rapid economic growth. Food problems have been basically brought to an end.

Local annual revenue from tax on tourism and border trade items amounts for more than 30 million RMB. The local government in the special zone no: 4 of Myanmar allocates 300,000 Yuan RMB every year to meet local residents basic food, clothing needs so they can be independent from the drug economy. Moreover the prosperous cross border tourism has brought along local tertiary industrial development in no: 4 special zone which consolidates the success of AD efforts.

With active advocacy and supports from both the central and local provincial authorities the local governments in Xishuangbanna and Simao Prefecture of Yunnan Province have been active in implementing AD projects in three provinces of Northern Laos. Laotian authorities have migrated some 10,000 people from mountain areas to basin and other accessible lowland areas. They have to give up their opium growing habits and are engaged in growing AD crops instead. AT the end of 2000, AD crops such as sugarcane, paddy rice, rubber trees cover some 5000 ha. A bilateral agreement has been signed by the Chinese and Laotian governments to solve the local rubber processing and marketing problems.

The Yunnan Province Autochthons Import & Export Corporation and Beijing Jinxianglian Rubber Co Ltd jointly invested US$ 1 million on a rubber processing
factory with a 12,000 ton/year capacity. The factory is expected to open in August 2001. The implementation of the project has encouraged the local people to engage in AD activities. The project has also laid a solid foundation for promoting AD activities on a large scale and plays an active role in improving a healthy socio-economic development in Northern Laos where opium used to be grown.

In order to make AD efforts more effective the Chinese Government has granted special prioritized policies for AD efforts carried out by the Yunnan local authorities in the border areas.

National prioritized policies have greatly supported AD efforts. The AD economy is a special transnational one which aims at a gradual eradication of opium poppy so the harm of drugs can be reduced. Therefore policies in this regard should not fall under general administrative rules. In the year 2000 the Chinese Government gave special preferential policies to AD efforts carried out by Yunnan Province. In the year 2000 import tax exemption was given to 306,050 tons of substitute agricultural and cash crops approved and the actual import volume reached 304,082 tons. (see attachment 1 for information on crop category and enterprises working on crop substitution.)

In order to carry out special preferential policies granted by the Chinese central government to AD works outside of China in its best practice the Yunnan Provincial Government has set up The Yunnan Provincial Administrative Office on Opium/Poppy Control Alternative Development Efforts in the Border Areas of the Neighboring Countries so that the involving enterprises can be well managed and provide a better working guidance and coordination. This office includes members from the Government Offices and departments such as:

- The Office of the Yunnan Provincial Narcotics Control Commission,
- Kunming Customs,
- Yunnan Provincial Development Planning Commission
- Yunnan Provincial Department of Foreign Trade and Economic Cooperation

NGOs are actively encouraged to participate in AD planning and economy. We do not believe that crop substitution an either expedient or simple issue just for crop plantation. It requires an integrated development approach. Integrated and cost effective projects should be well identified. There are existing problems and difficulties for the Chinese departments:

- Resemblance between the mix of substitute cash crops and domestic crops, the import of which can impact domestic production and sale of similar crops, particularly in Yunnan Province. Chinese AD enterprises in Yunnan are giving priority to foreign substitute products and explore markets while similar domestic products are suffering from poor markets.

- The border areas of Yunnan Province are mostly poverty stricken. Due to limited geographical location and limited government budgets our AD projects in other countries are limited in scale and long-term impact. Most are micro investment and short term. And cannot be developed into large alternative industries or rapidly cover large areas of opium poppy growing areas. Some projects were badly identified. For example the sugarcane projects which suffer from an unsteady market and has cast an impact on AD efforts in some areas.

To summarize the great difficulties met by Chinese authorities are the lack of:
- Good project identification,
- Required funds and
- Promising market

We would like to suggest the Myanmar and Laotian central governments and UNDCP render their support to the opium poppy control AD efforts of the Yunnan local authorities regarding:

- Working closely together to create a promising market for substitute agricultural and cash crop products under our projects. Cooperation in AD efforts between Chinese enterprises and local governments in Northern Myanmar should be upgraded to corporation guided by the Myanmar central government. Communication and coordination would be available at a higher level and more efficient and effective AD works can be done.

- UNDCP should organize a field trip for the concerned working experts to the Sino-Myanmar and Sino-Laos border areas. UNDCP should work out an overall medium and long term plan.
for opium poppy control AD efforts in this region. Project proposals, market explorations and donors can be identified for AD projects in the sub-region as soon as possible.

- UNDCP should establish a special forum on opium poppy AD projects in S.E. Asia.
- Regular meetings can be convened. Experts in this field should be organized. The related enterprises and international organizations should be organized to discuss the AD projects and related issues. Working experience and information can be shared quickly. Up to date recommendations and reports that can facilitate the study of the international community on AD programs should be readily available. Sub regional narcotics control cooperation should be promoted.
- To take advantage of the experiences in Yunnan in terms of scientific research, teaching and languages considerations we suggest that UNDCP initiate a training program on AD in Yunnan that can aim at AD personnel training in S.E. Asia.

Opium poppy control AD efforts are one measure to fight against narcotic sources. The world community, enterprises and NGOs should actively participate in this work.
A Diagram for the Repaid AD Agricultural Products (in the year 2000).
All products mentioned below are in the items of AD projects initiated by the Yunnan local authorities of China in the border areas of neighboring countries.

<table>
<thead>
<tr>
<th>Category</th>
<th>Volume</th>
<th>Entry Port</th>
<th>Enterprise Involved Prefecture</th>
</tr>
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</table>
| Raw Rubber    | 1500   | Simao Xishuangbanna Lincang | Yunnan Local Product Import & Export Company  
Menglian State owned farm  
Dehong Prefecture Aromatics Chemical Industrial Company  
Jinhu Hang Meikong - River Limited Company  
jianhua Trading Limited of Menglian County  
Mengla County Foreign Trade Import and Export Company |
| Rice          | 2000   | Baoshan Xishuangbanna | Yunjiang Limited Co oof Xishuangbanna Foreign Trade Firm of Mengla County                        |
| Corn          | 1000   | Baoshan Dehong Nongjiang | Tengnong Firm of Tengching County  
Honghe Ltd Co of Ruili City  
Lifeng Firm of Yingjiang County |
| Sugar         | 1000   | Xishuangbanna       | Import & Export Company of Mengla County                                                        |
| Fructus Amoni | 50     | Xishuangbanna       | Mengla Green Economy Company                                                                      |
| Sugarcane     | 300000 | Licang Xishuangbanna Dehong Simao Baoshan | Yunnan Chuangyu Sugar Industry Group Ltd  
Mengla Sugar Refinary of Mengla County  
Xingguo Trading Company of Longchuan  
Mengpeng Sugar Industry Ltd Co Of Mengla County |
| Bean          | 500    | Xishuangbanna Dehong Nuijiang Baoshan | Guangda Company of Lianghe County  
Jinxing Company of Ruili City |
| Tea           | 50     | Lincang            |                                                                                                 |
The Lao People’s Democratic Republic is a landlocked country with a total area of 236,800 square kilometres, of which 80 per cent is mountainous and 45 per cent is forested. It shares borders with Vietnam, Thailand, Cambodia, China and Myanmar. Most of the population is concentrated in the numerous river valleys, flood plains and highland plateaus that intersect the sparsely populated mountainous areas. According to 1999 Human Development Report, the population of Lao PDR is approximately 5 million and is characterized by strong cultural and ethnic diversity. There are 49 distinct ethno-linguistic groups officially recognized by the Government, which can be divided into 3 broad groups based on their origins, time of settlement in Lao PDR and the geographic location of their settlements. They are the Lowland Lao or Lao Loum, the Upland Lao or Lao Theung and the Highland Lao or Lao Soung. In addition, small numbers of ethnic Vietnamese and Chinese live in Laos. At the national level, the composition of the population is approximately 65 per cent Lao Loum, 20-25 per cent Lao Theung and 10-15 per cent Lao Soung.
1. Illicit Drug Situation

Illicit Drug Production

Opium
Opium is produced in 11 out of 18 provinces and approximately 90 per cent of opium cultivation is concentrated in the northern parts of the country, particularly in the remote mountain regions where access is difficult. Previous comprehensive opium surveys indicated an increase in opium cultivation during the 90s. Total area cultivated increased from 19,200 in 1992 to 21,600 in 1996 and to 26,800 hectares in 1998.

The Annual Opium Poppy Survey in 2000, however, confirmed a reversal in this trend and indicated a substantial decrease in the opium cultivation. The cultivation decreased from 26,800 in 1998 to 19,053 hectares in 2000. The unofficial and preliminary estimates of the 2001 Opium Poppy Survey indicate a further decrease in the area under cultivation to 17,251 hectares.

The concerted and determined actions, initiatives and efforts of the Government of Lao PDR and the positive impact of the alternative development programmes and projects have played an important role in this very positive development.

Heroin
There is little evidence to suggest any large-scale heroin production takes place in the country. Most of the heroin seized in Lao PDR is believed to be in transit and originating from the neighbouring countries.

Cannabis
Production of Cannabis is found in many parts of the country and is widespread in the lowlands, in southern Lao PDR and in particular in areas near to the Mekong River.

Psychotropic Substances and Precursors
There is no evidence of illicit manufacture of psychotropic substances in Lao PDR. There are indications that a domestic market for such substances, especially methamphetamines, has been increasing.

Precursors are smuggled into Lao mainly by road or river. Lao PDR is also used for transshipment of chemicals in order to disguise their true origin and the final destination.

Illicit Drug Trafficking
The ability of Lao PDR to control the flow of drugs within the country and along its long and porous borders is hampered by the lack of financial and adequately trained human resources. The lengthy borders with Thailand, Myanmar, China, Vietnam and Cambodia are difficult to control; checkpoints operate only along principal land routes and border crossings. Most drug smuggling takes place in the Northern Region and across the Mekong River.

The trafficking of opium within Lao PDR occurs mostly on a small scale by producers or petty traders at the local level. Opium is also used at the village level as a means of payment for farm labour and to barter for food and essential commodities. Trafficking in opium is more widespread than in heroin. There are indications, however, that there could be an upward trend in the trafficking of heroin in the recent years. The heroin is mainly trafficked overland although riverways are increasingly being used.
Drug Abuse

The consumption of opium for medical, ceremonial and other social purposes is prevalent in the northern parts of the country and has created a basis for abuse. Lao PDR has one of the highest rates of opium addiction in the world with the annual prevalence for opiates only exceeded by that of Pakistan and Iran. Opium consumption is concentrated in the opium producing provinces of the north and is associated with cultivation. According to 2000 National Opium Survey, there are some 62,895 opium addicts in the 11 northern provinces. The national opium addiction rate for the population over 15 years old was estimated at 2.26 per cent.

Heroin abuse is not widespread in Lao PDR. There are indications of an upward trend in the abuse of psychotropic substances among the younger populations in cities and urban centres.

2. National Drug Control Policies

The Lao Peoples Democratic Republic is party to the 1961 Convention and since 1997 it is also party to the 1971 Convention. The ratification of the 1988 Convention is planned for the near future. The national drug control responsibility lies with the Lao National Commission for Drug Control and Supervision (LCDC) within the Ministry of Foreign Affairs. LCDC was set up in 1990 and comprises of representatives from the Ministries of Foreign Affairs, Interior, Justice, Health, Education and Agriculture as well as from the Department of Customs (Ministry of Finance) and the Council of Ministers. LCDC is chaired by a Minister. Provincial Committees for Drug Control (PCDCs) and District Committees for Drug Control (DCDCs), headed by the Provincial Vice-Governors and the District Chiefs respectively, have also been established for the coordination and strengthening of drug control activities at the Provincial and District levels.

In 1990, Article 135, concerning trade or possession of narcotic drugs was included in the Penal Code. The Government of Lao Peoples Democratic Republic has consolidated and substantively strengthened the Laws on Drug Control by appropriate amendments of Article 135 of the Criminal Code. In April 2001, the Lao Government revised Article 135. The production, possession, import, export, transport or trans-

sit of Opium through Lao PDR for commercial purposes in amount of more than five kilograms is punishable by deprivation of freedom to life.

Thus, a number of important elements have been introduced for the first time in the drug laws of Lao PDR, including controls on chemical precursors and on the production and consumption of Opium. Penalties for drug offences and drug trafficking, in particular, have been increased considerably.

In 1994, the Government of Lao PDR launched a Comprehensive Drug Control Programme including its national drug control strategy and priority needs for the period 1994-2000. The Plan, which was developed jointly with UNDCP, featured a balanced and gradual approach to drug control with an emphasis on Alternative Development. The Programme called for the strengthening of the drug control and law enforcement bodies both at the policy and at the operational levels while reducing the supply and demand gradually in growing areas through rural development. The programme is currently being revised with the assistance of UNDCP to a shorter time horizon and with more ambitious goals.

3. National Strategies, Programmes and Approaches for Illicit Crop Control and Alternative Development

A new national strategy, “A Balanced Approach to Opium Elimination in Lao PDR”, was prepared by the Lao National Commission for Drug Control and Supervision and UNDCP in October 1999 and was subsequently endorsed by the Government.

This national strategy Programme aims to eradicate the area planted with opium poppy, eliminate opium production and reduce the abuse of opium in the northern Lao PDR through Alternative Development, Demand Reduction and Law Enforcement.

The key approaches to the design and implementation of National Opium Elimination Programmeare:

- Simple and flexible design to allow for modification and response to the effective demand of the target population and to the experience of implementation,
4. UNDCP: Elimination of Illicit Crops and Alternative Development Projects.

A. Completed projects:
- Highland Integrated Rural Development Pilot Project, Alternative Development in Kaisomboun, Hom District, referred to as the Palaveck Project. It successfully eliminated opium production (3 tons per year) in the project area. Presented as a success story at Hanover Expo.
- Agricultural Development in the Province of Xiengkhouang.
- District Development in Opium Growing Areas of Xiengkhouang Province.
- Labour Based Road Construction in Opium Growing Areas of Xiengkhouang Province.

These 3 projects belonged to a comprehensive programme in which IFAD has joined. It is followed by “United Nations Nonghet Alternative Development Project”
- Drug Supply and Demand Reduction in Border Areas of North-Western Lao PDR. (Implementation Phase I) Located in Bokeo and Luang Namtha Provinces, a pilot phase followed by phase 2 under;
- Drug Supply and Demand Reduction in Border Areas of North-Western Lao PDR. (Implementation Phase II) Located in Long District, Luang Namtha Province.

B. On-going projects:
- Beng Alternative Development Micro Project.
- United Nations Nonghet Alternative Development Project.
- Village Based Development Component in ADB Shifting Cultivation Stabilization Pilot Project in Houaphan Province (Micro-Project).

C. Projects to start by the last quarter of 2001:
- North Phongsali Alternative Development Project.

- Decentralized implementation to the district and village level,
- The enhancement of the local capacity through gender mainstreaming, managerial and technical training and the provision of appropriate material support,
- Judicious cooperation with other UNDCP activities, other donors and agencies to provide complementary support, and
- Training and reorientation of participating Government Departments to provide demand driven services through participatory planning and implementation

A Programme Facilitation Unit (PFU) has been established, jointly by the LCDC and UNDCP, as the coordinating, monitoring and supporting backbone of the National Strategy Programme and to maintain the overarching responsibility for its implementation.

The Programme Facilitation Unit is managed by National and UNDCP Programme Directors and will have a team of senior expatriate and national professional and technical experts.
5. Impact of the Alternative Development Programmes and Projects on illicit crop eradication and community development.

Under the Balanced Approach, the effective combination of the law enforcement components with the activities for integrated socio-economic development under alternative development initiatives have contributed substantially to the success and effectiveness of the AD programmes and projects.

Although, it may be too early to conclude, but the downward trend observed in the cultivation of opium in the national opium surveys in 2000 and 2001 indicate a positive impact of alternative development programmes on illicit crop eradication.

AD programmes and projects have made a visible impact on the infrastructure, accessibility and the economic opportunities of the families and the communities.

The acceptance and the increasing participation of communities, particularly women, in alternative development programmes is also an important indication of the success of the approach.


UNDCP, USA, IFAD, ADB, NCA and GTZ all have experience supporting alternative development in Lao PDR and this has resulted in valuable lessons to be taken into account. Some of them are;

- Targeting of project activities to particular villages and within villages is important.
- The role of different family members in different aspects of alternative development needs to be considered carefully in project formulation.
- Alternative development needs support until alternative income earning activities have proven effective to farmers giving up opium.
- Planning needs to allow for the time necessary for consensus decision making at many levels of Government by shortening decision trees and decentralizing activities as far as possible and increasing the flexibility of plans and operational procedures.
- The planning, implementation and monitoring of projects needs to feature participatory processes to engage the community in drug elimination.
- Development personnel, government staff and the community need education in participatory processes through technical assistance until they are established.
- The mix of grants and loans needs careful consideration for cost effectiveness.
- An appropriate combination of law enforcement components with developmental activities proves positive.
- Gender balance and participation of women is crucial for the success of AD initiatives.
- “Programme Development” needs to be given serious attention.

A Balanced Approach with comprehensive, integrated, gender sensitive and participatory development may be more appropriate to achieve the desired goals of illicit crop eradication.

The appropriate combinations of law enforcement and development components should be carefully considered, incorporated and implemented.

Community based demand reduction needs to be examined and developed further for an effective implementation.

The development of human resources and capacity building; managerial and technical in Alternative Development at the local, provincial, national and regional levels is highly desirable.
UN - Nonghet Alternative Development Project

1. DRUG CONTROL OBJECTIVE

To reduce opium production and drug abuse among ethnic minorities in the whole province, especially in Nonghet district through alternative development leading to the integration of remote areas into the mainstream national and provincial economy.

IMMEDIATE OBJECTIVE

To reduce the area planted with opium poppy, opium production and abuse of opium in the district of Nonghet in Xiengkhouang province through the process of alternative development.

2. MAIN ACTIVITIES AND ACHIEVEMENTS

OUTPUT 1: Communities organized to manage the economic and social development of their villages in a sustainable manner with reduced dependence on opium production.

1. Completed in assisting to establish Village Development Committee (VDC) in all target villages.
2. A total of 55 target villages are divided into 4 geographical areas and assigned 4 development teams to assist capacity building of Village Development Committee (VDC) in each village.
3. Conduct training on principle of Participatory Rural Appraisal methodology in all 55 villages. Training took 2 to 3 days and 1373 (722 women) participated.
4. All project delivery is responded after the beneficiaries went through the processes of
   a) Identify the common problems
   b) Prioritize the problems to be solved
   c) Selection of the best solution and designed the action plan.
   Then with the support and facilitation of the project operation team, the proposal is made to get support from the project.
5. The community development teams technical advisers and the project management sit together once in every week to approve the village proposal based on the following criteria.
   a) Numbers of beneficiaries to be benefited.
   b) Cost per beneficiaries from the project.
   c) The rate of participation from the beneficiaries.
   d) The commitment of beneficiaries to reduce opium production or the numbers of opium addicts to stop the habits.
   e) Fair distribution and equity of project support among sub districts and target villages.

Presented by Dr. Bounpone Sirivong, National Project Director

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1) Duration: Four years (March 1999-December 2002)
Executing Agency: Provincial Administration of Xiengkhouang/Rural development Committee
Cooperating Agency: UNDCP/UNDP, NEX Support unit
Total UNDCP budget: US$ 3,642,200
Donors: Luxembourg, United States of America, Sweden
OUTPUT 2: The economic opportunities in the district available to the target communities diversified. Activities to this output were divided into ten sub-activities:

Activity 2.1 1,175 kg of paddy rice (Chinese dwarf variety) was introduced to ten families in two lowland villages and shown varying degrees of adaptation.

Activity 2.2 Field trails are on going with the introduction of both Hatdokkeo 4 and LVN 100 (Vietnam) varieties of maize. An additional 32 kilos of improved Hatdokkeo 4 were distributed to farmer cooperators.
- Demonstrated to 110 farmers from 19 villages on the advantages of organic farming.
- Trained 120 farmers from 4 villages on post harvest storage of maize.

Activity 2.3
- Distributed additional 36,226 asparagus seedlings to 108 households in 12 villages
- Additional 265 plum cuttings were distributed to 8 interested farmers in 4 villages.
- Distributed 67.48 kilos of assorted seeds e.g. coffee, pigeon pea, mung bean, lettuce etc to 255 families in 42 villages.
- Encouraged family runs nurseries from 20 families last year to 46 families at present.

Activity 2.5
- Organized farmers to farmer field exchange visit on mulberry farming leading to sericulture activity. Twelve (12) farmers from 8 villages participated in this exchange.
- Organized farmers to farmers field exchange visits on asparagus farming. Fourteen (14) participants came from 9 villages to see actual asparagus cultivation in Kieopatou village.
- Trained village vaccinators on Animal Disease and treatment.

Activity 2.7
- Sent 3 farmers cooperators and one provincial staff for training in Vientiane on fish cage rearing and breeding.
- Distributed fish roe for hatching to 51 households in 12 selected villages for field trial.
- Supported 3 farmers in fish cage making from indigenous materials. Three bamboo cages completed.

6. The process of capacity building begins from within and it is being carried out during weekly, monthly, quarterly meeting and informal discussion among the staff members.

7. Formulated opium poppy agreement and facilitated target villages to be participated in signing the contract with District drug control Committees. The agreement is to reduce 50% of opium production by the end of year 2002. As the opium survey in beginning of the year 2001, 12 villages stop 100%, 40 villages reduced 50% and the rest 3 villages (Phaven, Phaka and Loungkoung) to reduced by 20 to 30%.

8. Replaced the former Participatory Development Advisor in support of XKADPII.

9. 45 addicts (13 women) have been admitted to the detoxification center since early 2000 and no one relapse so far (comparing to 36 addicts admitted previous year and 3 relapsed.)

10. To achieve the special consideration on gender and development activities to bring in 11 women staff to work with the project community level.

11. Supported the organization of International Women’s Day in Nonghet on the 8 March 2000. More than 70 women participated in competition on model mother, housewife, child-care and income generation activities.

12. Supported organization of International Day against Drugs on the 26 June as part of social mobilization and awareness raising on drug abuse. About 124 key representatives from target villages and hundreds of residents witnessed the burning of opium seized by the police and enjoyed sports, games and entertainment.

13. Coordinated with District Drug Control Committees and supported the issue of orders on control measures to achieve commitments of the villagers as agreed upon in the opium reduction agreement.

14. Villages vaccinators from 16 villages undergone training on Animal Diseases Prevention and Treatment.

15. Developed 14 different Drug Demand Reduction posters and information material. Achievement- Area of opium production was reduced from 332 ha, to 149.5 ha. Or 54.96% total reduction in the 55 target villages in Nonghet District.
• Provided 14,000 mulberry seedlings to 7 families in 5 villages as a start in Sericulture.
• Sent 2 staff to attend Apiculture training conducted by Lao Red Cross in Nonghet.

**Activity 2.8**
• Demonstrated sloping agriculture land technology through the use of A-frame to 55 farmers from 10 villages.
• Distributed 34 kilograms of timber seeds to 25 farmers in 2 villages.

**Activity 2.9**
• Oblige Agriculture Promotion Bank to open a service in Nonghet district to encourage link between with the Project’s beneficiaries and the bank.
• The loan disbursed by APB from UNDCP fund will continue until its maturity period then release it again as demand arises.

**Activity 2.10**
• The loan disbursed by APB from UNDCP fund was released through group credit formed by the Lao Women’s Union in three villages. The APB technicians and the team responsible for the area constantly monitor the borrowers.

**OUTPUT 3:** The coverage and operation of the social services in the district enhanced. Activities to this output were divided into twelve sub-activities; Construction of infrastructures in this output was carried out following the approved annual budget constraint. New activities below were carried out from January-June 2001:
• Two village meeting halls were built in 2 villages
• Another two additional water supplies in 2 villages were constructed.
• Supported the construction gate in pre-school in Thamxay village.
• Conducted bidding for the materials in furniture making needed in 12 school buildings were held and winning bidder selected.

**OUTPUT 4:** Effective cooperation established with XKADP II to enhance and sustain the local tertiary road network in the district.
• Completed 58 Km of all weather road network in the target villages

3. MAJOR PROBLEMS AND STEPS TAKEN TO SOLVE THEM

**Budget restriction.**
**Step taken:** Made work plan and budget according to the availability of fund

Several national staff has left and one of the reasons was the insecurity about the project’s ability to secure staff for a longer period.
**Step taken:** Reassign the water supply engineer to support the understaffed team. Made an arrangement with the other teams to support the team that needed staff as need arises.

**Finding, recommendations and lessons learned**

**Government**
• To support sufficient government staff, in order to have project support basic infrastructure to be functional.
• To prove how the management arrangement for the project supported electricity supply could be sustained and come up with the proposal for water supply which was another central issue during the first TPR meeting.

**Executing agency**
• To review the existing human resources depending on the project needs and to reassign or reduce staff as necessary.
• To attract more district sector departments’ participation in project activities at the field level.
• To review the project impact and to set new target (drug objective) to be achieved by the end of year 2002
• To conduct more in-depth study on marketing and income generation and to develop ad diversify alternative income opportunity

**UNDCP**
• To continue providing co-ordination support at national level regarding UN co-operation.
• To support timely release of fund for the project to avoid restricted funding situation.
• To provide direction to be pursued after the end of project year by 2002
LESSONS LEARNED
1. Active participation of both Provincial and District authorities in all aspects of Project activities made the project execution smoothly.
2. The sense of ownership of the project by the District authority made it a lot easier for the Project to accomplish its objectives.
3. Transparency concerning the budget and activities to the District and beneficiaries increased the trust to all concern thus, yielded to a higher cooperation and produces more results.
4. Field exposure (farmers to farmers) and experience exchange increases the chance that the doubtful farmers will engage on the alternative crops being introduced. Seeing is believing.
5. Socio-economic assistance and support to introduce alternative development to reduce opium production and use can be achieved with some aid on law enforcement.
6. Culture sensitivity in the design of information materials (one ethnic group had a negative reaction from the Projects' posters) design use of neutral information materials in the future.
7. Weekly strategic meetings of the Project staff enable the Project to immediately respond to beneficiaries needs.
8. Strong commitment and cooperation from Project's beneficiaries made the possibility in reaching the Project objectives.
9. Divided the target villages into four geographical areas and assigned a team to each area to have a regular presence of the Project which will enable the Project to act immediate to the request of the beneficiaries.

RECOMMENDATIONS:
1. To increase coordination and cooperation between UN agencies. It has proven that the cooperation between UN-NADP Project and FAO-Fishery Project had very productive results.
2. Timely release of fund to avoid disruption of the Projects' activities as well not to create low morale to the Projects' staffs.
3. For the government to provide more government staff to work in coordination with the Project activities in the field level.
Long Alternative Development Project (LADP)\(^1\)

1. A BRIEF DESCRIPTION OF THE PROJECT:

The immediate objective of LADP is the elimination of the opium poppy production, the reduction of opium addicts and improved living conditions for the villagers in Long district, through a process of alternative development, demand reduction and law enforcement. Through a village-based approach LADP will ensure that:

- Implemented activities are linked to existing needs and based on the effective demand and natural resources of the community;
- Development activities and processes are in harmony with local costumes and culture;
- Human resources - both male and female, and including poorer households - are mobilised and improved;
- The villagers - both male and female - have a feeling of ownership of the development initiatives and processes;
- The communities are able to analyse their own situation in terms of problems, constraints, potentials, priorities, and solutions;
- The development process initiated by LADP will be sustainable.

Luang Namtha province is the north-westernmost province of Lao PDR, bordering PR of China to the North, Myanmar to the West, Oudomxai province to the East, and Bokeo province to the South. The province comprises 5 districts covering a total area of 9500 sq.kms. Long is the south-westernmost district. Nam Ma river flows through Long district in a south-western direction, joining the Mekong at Chieng Kok, an important trading village.

Presently, the project works in 19 villages, but during phase III another 37 villages will be incorporated in the project. These 37 villages are responsible for approximately 85 % of the total area of opium poppy cultivation in Long district.

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\(^1\) Project Site: Long District, Luang Namtha Province, Lao PDR
Project beneficiaries: Highlanders from 4 different ethnic minorities in 19+ (planned) 37 villages, plus local government officials and institutions.
Government counterpart: Luang Namtha Provincial Government
Executing Agency: Norwegian Church Aid (NCA)
Funding Agency: United Nations International Drug Control Programme (UNDCP) and NCA
Project period: 1993 - 1995 Pilot phase
1996 - 1998 Implementation Phase 1
1999 - 2000 Implementation Phase 2
Jan - Aug 2001 Bridging period
(Sep 2001 - Aug 2004 Planned Implementation Phase 3)

Presented by Mr. Krister Winter,
Chief Technical Adviser
At the nation level, the Government Implementing and Counterpart Agency is the Lao National Commission for Drug Control and Supervision (LCDC). At the provincial level, LADP activities are coordinated through the Provincial Governor's Office by the PCDC. At the district level, LADP works directly with the District Governor, the District Committee for Drug Control (DDC) and the district heads of government departments in Long district.

2. A BALANCED APPROACH TO POVERTY ALLEVIATION AND OPIUM ELIMINATION

In the opium growing areas of Luang Namtha province, it is not feasible to attempt the elimination of opium production, nor the reduction of consumption, without simultaneously addressing poverty alleviation. The population in the LADP target area meets national poverty criteria and the fact that opium production is directly related to their poverty has led to the focus on this area. The economy of the LADP target area remains semi-subsistence, with the majority of cash income being generated from the sale of opium.

LADP aims to eliminate opium poppy cultivation in the target areas through:

Alternative development: The interventions aimed at reducing dependency on opium poppy cultivation for cash include: (i) increased food security, through clearing of land and construction of irrigation systems; (ii) increased cash incomes from alternative sources, including livestock, crops and non-agricultural activities; and (iii) improved access and marketing, through the construction of feeder roads and improved village tracks. An improved road network will not only facilitate the marketing of agriculture produce and other goods, such as handicraft, but also make the delivery of government services, in areas such as health and education, more feasible.

Demand reduction: LADP will continue to develop and support the implementation of culturally appropriate approaches to community-based drug demand reduction in the target area. The approach involves close integration with socio-economic development activities and the active participation of village communities with the aim of preventing the use of illicit drugs and reduce the adverse consequences of drug abuse.

Law enforcement: For these initiatives to be effective there needs to be an awareness of the illicit nature of opium cultivation amongst the target population including an emphasis on law enforcement, which the government will be instrumental in delivering. In addition, appropriate agreements will be established between the participating communities, the DDC and the PCDC on the phasing out of opium production.

3. PROJECT STRATEGY ON PARTICIPATION:

The project is aiming at reinforcing the human and institutional potential to deal with social and economic needs and problems in the community. It facilitates and strengthens the decision making of local communities and authorities while providing opportunities for development and drug control actions resulting from such decision making. It is only through participation that development and socio-economic gains will be sustainable.

The village community is the primary unit for the project's community development work, either through the existing village committees or through village development subcommittees. The project will continue to train village men and women to work not only for the benefit of their own village, but also with others for the development of their villages. Since the communities of ethnic minorities have a strong communal and clan organization, the project is working through them rather than favoring a few individuals.

During the first implementation phase, Participatory Village Planning (PVP) was introduced and carried out in all target villages. The purpose of the village planning is to help the villagers to analyze their own situation and make them more conscious about the potential for improved livelihood. In this respect, the PVP is also a way of motivating and mobilizing the villagers to realize more of the human and natural resource potentials of the village. In practice the PVP consists of the same tools as the ones used in the PRA (Participatory Rural Appraisal) notably social and village resource mapping.

In order to contribute effectively to the project management and decision making, the project keeps copies of the results of each village's PRA and PVP exer-
cises. This will help illustrating the evolution of priorities, their awareness and sensitivity and/or acceptance of newly introduced ideas and methodologies.

Every year the annual planning starts with village meetings followed by the PVP in each village. The result of these exercises is discussed and prioritized in an annual workshop, with representatives from the villages, the district and province authorities, and the project. The annual plan, developed at the workshop, is then adjusted to fit with the available resources by the project and by the district departments, before the final approval.

4. DRUG CONTROL OBJECTIVE:

The drug control objective is to eliminate opium production in Long district and to reduce illicit drug abuse.

The main overall quantitative achievement indicators, measured through annual opium survey and monitored by quarterly reports for the addiction situation, are:

- opium production and area under poppy cultivation in the target villages and in the whole district of Long;
- the number of opium addicts in target villages that have completed a detoxification process, and the percentage of relapse after 6 months;
- the reduction of the number of new addicts compared with the rate at the start of the project;
- the reduction of the overall addiction rate for the target villages.

Another important overall achievement indicator is that the communities and the government institutions are to be able to take charge of their own development and deal with drug abuse problems as well as be willing to reduce opium cultivation.

To achieve the immediate objectives the project is running drug detoxification and prevention programs. This involves treatment and rehabilitation integrated with general community development initiatives. The local government institutions play an important role in supporting the communities in their drug abuse reduction efforts.

In dealing with addiction problems in the target villages the project continues to employ a community-based drug control approach (CB-DAC). The term Community-based implies the active involvement of the community at every level of drug prevention and control, starting with the recognition of drug abuse and production as the community’s own problem.

5. THE CB-DAC PROCESS

The CB-DAC process follows three main steps:

Situation analysis: information collection by field staff and villagers on drug situation at community and household level.

Group formation: formation of groups of persons who are concerned about the drug problem in the village, regular discussions with the groups in order to facilitate the identification of solutions to the drug problem.

Leadership development: training and study trips for selected villagers and regular follow up.

The role of the project in this process is to provide technical and financial backstopping to the DDC which is the overall responsible for the CB-DAC component. During field implementation, the DDC will be assisted by technical district and project staff, village teachers, village health volunteers and village leaders.

As most of the target villages are Akha, an ethnic minority without a written language, all discussion materials have to be based on pictures or drawings. Therefore it has been developed a number of posters, showing the different aspects of opium addiction and detoxification, in a village context that is familiar to them.

The process is lengthy, but it is necessary in order to make sure that everybody involved fully understand and support the process. It takes minimum six months from the first visit in the village to the detoxification session, but there are examples, where the preparation period has been 2 years. All participation in the detoxification is voluntary. It is possible to withdraw until the inauguration ceremony at the beginning of the detoxification, but once it has started and the participants have declared that they want to participate, any withdrawal would be regarded as a relapse.
The support from the respective family and the community is possible only because all village preparation, detoxification and rehabilitation activities take place in the target village. The lengthy process and the strong commitment at all levels in the communities have resulted in a remarkable success. During 1999 - 2001, 8 groups were detoxified, in total more than 120 addicts, with the incredible result of zero (0) relapses after 6 months. In 1998 and before, the relapse rate ranged from 30 % and up to 90 % for the groups.

6. LESSONS LEARNED

The keys to the success is:

- The long preparation period
- The strong support from the community
- Frequent follow-up, especially the first three months
- Voluntary participation
- Community-based detoxification

It doesn't seem, however, that the support to the ex-addicts regarding access to credit or other assistance for starting income generating activities is crucial. At times the project has failed to timely keep up with the expectations and promises, but even in those cases there has been no relapse.

7. RECOMMENDATIONS

The community based approach is the most important key to success, so there should be no compromise. It is also recommended that addicts from other villages - though highly motivated - should not be accepted into a group. The attempts this project have made have resulted in a high percentage of relapses.

Concentrate the efforts on increasing the presence in the villages, and thus the number of detoxifications. Don't construct a detoxification center distant from the villages, thus making it almost impossible to keep the strong community support.

Only use teaching and motivation material that could be fully understood by everybody. In other words: Base the material entirely on pictures and drawings.
Beng Alternative Development Micro-Project

INTRODUCTION:
This paper focuses on the project AD/LAO/98/C85 located at the Nahome Focal Site, Beng District of Oudomxay Province. The project title is Beng Alternative Development Micro project, with a budget of US $ 900,000, for duration of three years 1999-2001. The Governments of Luxembourg and USA respectively are funding it. It covers 12 villages of the focal site with a population of 3609 inhabited by three ethnic groups. The Khamu who are 1986 in total are the largest group followed by the Hmong who number 1606 and the smallest Leu who are only 17.

Oudomxay province is a mountainous area in northern Laos PDR. The Province is located near the borders of Thailand and Myanmar. It is a crossroad between China, Vietnam, Thailand and other parts of Laos. The geographical location of Oudomxay is suitable for opium poppy cultivation which has been the main occupation of the Hmong and Khamu for years together with shifting cultivation of upland rice. Despite the long experience in poppy cultivation, these communities remain poor because of exploitation by middlemen; addiction to opium wide spread and communication outside the focal site was difficult because of inaccessibility by road and other media of communication. Opium has been used to generate income for families, has been medicine for ailments and is of social importance to these minority groups.

OVERALL OBJECTIVE
The overall objective of the project is to reduce opium production and drug abuse among ethnic minorities in the northwestern Laos PDR.

IMMEDIATE OBJECTIVE:
The immediate objective of the project is to improve the livelihood of the villagers and reduce their dependence on opium production and use by creating the institutional conditions required for accelerated alternative development in opium poppy growing areas of Oudomxay Province.

1. OVERVIEW OF THE ILLICIT DRUG SITUATION:
Illicit Drug Situation at the Nahome Focal Site is as follows comparing the 1997 survey data and the 2001 survey data.

<table>
<thead>
<tr>
<th></th>
<th>1997</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opium addicts</td>
<td>178</td>
<td>110</td>
</tr>
<tr>
<td>% of HH growing opium</td>
<td>92.5%</td>
<td>56.06%</td>
</tr>
<tr>
<td>Ha. under opium poppy cultivation</td>
<td>252</td>
<td>94.97</td>
</tr>
</tbody>
</table>
From this data, a reduction in cultivation, addiction and households growing opium can be seen.

- Nahome focal site produces raw opium.
- There is no cannabis production in this project area.
- Amphetamine is found in the project area but there is no data to show the real situation.
- There are no other major drugs other than opium and amphetamine.
- Selling and buying of opium within the project area, the District and outside the District is common.
- There are 110 opium addicts in the project area abusing drugs within the focal site. The situation outside the focal site is not known because of the lack of data.

2. OVERVIEW OF NATIONAL DRUG CONTROL POLICIES AND MASTER PLAN:

The Prime Ministers order / decree no. 14, Notice of Oudomxay Province no. 73, notice of the PCDC and Law Enforcement Chapter 153 have been explained to the DCDC, relevant/ concerned District Line Departments, village authorities and each village communities. Awareness has been created and all know the policies and the results of those found with drugs.

3. NATIONAL POLICIES, STRATEGIES AND APPROACHES FOR ILLICIT CROP CONTROL AND ALTERNATIVE DEVELOPMENT

The project policy is to reduce or eliminate opium poppy production, use and possession. The strategy has been:

- Involve the community in discussing the project issues as much as possible.
- Plan with the beneficiaries from the beginning of the activity to implementation, follow up and monitoring.
- Introduce alternative livelihood means, which will replace opium income.
- Sustainability of the activities introduced is worked jointly with the beneficiaries, concerned line departments, DMT and the project.
- Law enforcement has been strengthened.

4. SUMMARY OF NATIONAL PROGRAMMES AND PROJECTS ON CROP ERADICATION AND ALTERNATIVE DEVELOPMENT

Summary AD/LAO/98/C85
- Build capacity of the beneficiaries, DMT and Concerned District Line Departments through training, study tours, visits meetings and discussions.
- Plan with all the above, discuss, and reach solutions together.
- Support those activities, which the families prefer and are willing to take care of following project regulations.
- Regular visits, meetings, discussions, follow up and monitoring of activities.
- Empower women by involving them in every project activity and train them.
- Support cultivation of short-term yielding crops/ activities which give income within a short time.

5. UNDCP AND EXTERNAL FUNDED ALTERNATIVE DEVELOPMENT PROJECTS

The Governments of Luxembourg and USA respectively fund the project through UNDCP.

6. ANALYSIS ON IMPACTS OF THE ALTERNATIVE DEVELOPMENT PROGRAMMES AND PROJECTS ON ILLICIT CROP ERADICATION AND COMMUNITY DEVELOPMENT.

Positive Impact:

The community has accepted the project because they understand the objectives. The regular meetings, visits, follow up and monitoring have created confidence. Coordination of all those concerned is clear and everyone knows his or her role. Strengthened law enforcement and involvement of the DCDC has been initiated.

Negative impact:

The project is not able to support every family because of the limited funds. Influence from the villages outside the focal site still growing opiums making our work difficult.
7. GOOD PRACTICES AND LESSONS LEARNED FROM THE PROGRAMMES AND PROJECTS:

Good practices:

- Coordination among DCDC, Concerned District Line Departments, DMT, Village Authorities and project is good.
- Empowerment of VDC to take charge of the project activities at the village level.
- Capacity Building by training, study tours, meetings discussions has made all understand the project objectives.

Lessons learned:

- Meet regularly with all actors to understand project goals and implementation approach.
- Policies and laws must be explained clearly and patiently to be understood by the beneficiaries so that they can make decisions in favor of the project objectives.
- Species of animals applied should to be from within the District to be able to cope with the environment.
- Agreements / bonds are not necessarily a guarantee that the beneficiary will stop cultivating or smoking opium.
- Provision of the necessary infrastructure in the remote areas makes support to beneficiaries easier.
- Reduction of opium poppy cultivation, number of households growing opium poppy and addicts is possible if alternative livelihood means are provided.

8. RECOMMENDATIONS FOR FUTURE DEVELOPMENT AND IMPLEMENTATION OF ALTERNATIVE DEVELOPMENT AND CROP ERADICATION INITIATIVES

- Balanced approach for alternative development:

Projects to support all families in the project area

- Agricultural alternative development
  At the beginning, the project should support activities whose technology is familiar to the beneficiaries then slowly introduce new technologies. New technologies at the beginning of the project take a long time because the farmer is not sure.

- Non-agricultural alternatives
  Train the beneficiaries on alternatives within the project area then expand to those outside the project area.

- Micro-credit system for alternative development
  Project does not have experience on micro credit system, but have experience on livestock revolving fund. The Village Development Committee (VDC) manages the livestock revolving fund. Our experience here is that there should be clear planning with the beneficiaries so that they understand the concept and are willing to get involved.

- Marketing strategies for alternative development products
  There should be clear roles of the Departments of Commerce and Agriculture in marketing products. These two departments should enter contracts between them.

- Cross Border Cooperation and trade
  The project does not have cross border cooperation.

- Emerging challenges and roles of the UN and International Development Agencies.
  Provide enough funds to support all the project beneficiaries for sustainability and achievement of goals.
The Lao-German Drug Control Project

History
One of the major reasons for the conception and set-up of the Lao-German Project “Promotion of Drug Control” (LG-PDC) was the experience of the Integrated Food Security Project Muang Sing & Nalae (IFSP), implemented through the German Technical Cooperation (GTZ): After some years working in Muang Sing, a district with a high opium addiction rate and relatively high opium production levels, the project came to the conclusion that it could not possibly reach its targets of Food Security without directly tackling the adverse consequences of drug abuse in a decisive and well conceived manner.

The IFSP carried out its first drug demand reduction related activities in 1998, the LG-PDC started officially in January 1999, with its first major activities beginning in June 1999, now having an experience in the field of drug control in the Lao PDR of two years.

Project design and structure
The concept of the LG-PDC puts much emphasis on the building and strengthening of appropriate Drug Control institutions in all relevant fields (health, agriculture, education & information) and at all relevant administrative levels in the Lao PDR, that is from central and provincial level to district and village level. Within these different institutions Human Resource Development (HRD) is a consequent major task. Looking at the project’s structure it is important to note that the project works not only at all levels but also within the two hierarchical lines, in the policy as well as in the technical line. The set-up of committees for Drug Control at provincial and district level was recently completed with the set-up of Drug Control Units (DCU) in the relevant technical ministries (June 2001), job description and clarification of mandate and terms of inter-agency cooperation between the technical and the policy line still being finalized.

With Drug Control being a complex task which needs appropriate policy and monitoring but equally local implementation in mostly remote areas, the Project Coordination Unit (PCU) cooperates with 3 ongoing rural development projects, supported by GTZ and working in 3 different provinces with different agro-ecological characteristics: Bokeo, Xieng Khouang and Luang Namtha. The PCU advises the different actors on national and province level whereas the integrated drug control components in the three cooperating projects work on district and village level, feeding back the experiences of implementation into the policy formulation level.

Strategy
Through its cooperating rural development projects, LG-PDC works with a long-term approach. Experience exchange and coordination between the different national institutions as well as the projects are facilitated and shall bring about a fruitful mutual learning process which outcome and best practices can afterwards be taken over and replicated through the accordingly strengthened national institutions on all levels, once the LG-PDC has come to an end.

Presented by Ms. Andrea Kuhlmann, Associate Advisor
The project applies a community based approach to drug demand reduction. With respect to alternative development it is considered that the individual situation of households concerning food security, access to natural resources, economic status and availability of labor force has to be taken into account in a gender sensitive way.

Modalities of project management and implementation

Strategy and structure of the project are reflected in its planning matrix (result and activity level) and its management modalities.

The Programme Facilitation Unit (PFU) is based in the capital Vientiane, taking an overall coordinating role and assisting in and advising on policy formulation and cross-institutional technical aspects of drug control. Achievement examples of these activities are e.g. the elaboration of “Community based rehabilitation guidelines for drug addicts” (with MoH) and “Curricula development for drug prevention” (with MoE) with national applicability. The PFU equally assists the counterpart on national and provincial level in organizational development. As examples the establishment and definition of job-description of Provincial Committees for Drug Control (PCDC) as well as presently the establishment of Drug Control Units in Line Ministries (MoAF, MoE, MoH, MoIC) are mentioned. These entities are responsible for overall drug control issues within their respective regional mandate, i.e. on district, provincial or national level. Furthermore the PFU contributes to Human Resource Development through training, seminar and workshop facilitation in and outside the Lao P.D.R.

The cooperating projects, based on province and/ or district level, work in different agro-ecological zones and integrate the drug control component in their individual overall planning matrix. Some different characteristics of the respective drug situation and the projects set-up are roughly shown below. (see transparencies)

Marketing of alternative products

The project has gained so far only the first experiences in this field. In one of the rural target areas a marketing study was started, which concentrated mainly on the supply potential but has to be analyzed further and complemented with a thorough market demand analysis. Nevertheless, some points are considered to be crucial for AD activities/projects:

Marketing needs a long term perspective and local potentials as well as market demands shall be thoroughly assessed before encouraging any production on a larger scale. Along with this process different local actors and institutions have to be involved and strengthened accordingly, thereby assuring ownership and sustainability. The projects role is to facilitate but not to manage marketing activities.

Through crop diversification and farming systems approaches (including community forestry) farmer’s risks and ecological degradation should be minimized. Saving & credit systems on village level are important as well as a step-by-step improvement of infrastructure.

So far the project gained some experiences in marketing potentials in the following fields or products: Non Timber Forest Products, handicrafts (small scale, tourism related), food processing & value addition (e.g. dried bamboo shoots, tea and coffee), sugar cane, silk production, livestock.

Examples:
In Xieng Khouang silk production is seen to have some potential. The project has contracted an existing private company in the provincial capital for training, technical and marketing advice to the farmers. The activity focuses first on villages not too far away from road access, but with further improvement and extension of the road infrastructure through Food for Work (FiW) other villages will be included in the future.

Other potential areas for Alternative Development are community forestry and marketing of NTFP.

In Luang Namtha the project tests the marketing potentials of a diverse range of products. It facilitated contacts to a chinese sugar company and now farmers manage and negotiate with this company on their own. Within the development of locally appropriate farming systems the project promotes e.g. livestock raising, cardamom, tea, coffee, fruit tree plantation, maize and fodder production. Improved rice production linked to diversified farming systems and thereby household food security remain primary concerns. In
2000 the project started to support handicraft production through the setup of an ethnic minority shop at the district market. Harm reduction possibilities for upland communities facing adverse consequences of the incoming tourism but also potential benefits are being explored in cooperation with the UNESCO supported NamHa Eco-Tourism Project based in Luang Namtha.

For value addition and improvement of marketing possibilities of farm products the project facilitated food processing through training (Training of Trainers approach) and study tours.

Analysis on impacts of the alternative development projects on illicit crop eradication and community development

The National Annual Opium Poppy Survey (99/00) jointly carried out by LCDC and UNDCP shows some significant reduction of opium poppy growing areas in regions where rural development projects work. But despite increased alternative development efforts a tendency of increase in opium poppy production in some of the LG-PDC target and bordering areas is perceived as farmers “take their last chance”, fearing that growing pressure will impede poppy production in the future. Equally a tendency of a certain professionalization is perceived, e.g. farmers have been contracted by others for opium poppy production. In order to enable communities to cope with the necessary changes coming along with the switch from illicit opium poppy production to other alternative licit income generating possibilities, community development and strengthening of community institutions are a necessary prerequisite for A.D. Community development has to do with cultural behaviour and therefore needs time as well as project/government presence on village level. In this respect the restricted availability of skilled staff and the non-existence of local NGOs present a constraint in the Lao PDR.

The experience of the LG-PDC so far confirms that of other A D projects: A D contributes to opium poppy elimination if basic needs are met, alternative product is marketable and village institutions strengthen accordingly in order to take over and manage the range of alternatives on their own.

Summary of good practices and lessons learned

As has been mentioned already the project disposes of two years of experiences with some activities in Alternative Development starting only recently. The following good practises/lessons learnt represent consequently no comprehensive list or analysis but shall be raised here for further discussion:

- Basic needs of households have to be met first or parallel to supply reduction efforts
- Poor households with addicted members are often more difficult to convince for alternative production, therefore services for detoxification and rehabilitation have to be offered parallel and in a community based way
- Drug Control, especially in remote areas has to do with behaviour and cultural attitudes. Changes and negotiation processes need time and appropriate cultural mediation
- Participatory planning and implementation should enable village organizations and farmers to take responsibility and ownership for their alternative development
- Drug Control has to look at household level in a gender specific perspective: what are the real situation and resources of each, how much working force is available. No blue print approach is possible as situations vary a lot
- Induced change from subsistence economy to cash crop production needs a step by step approach and therefore time

Recommendations for future development and implementation of alternative development and crop eradication initiatives

Here again some points shall be raised for further discussion, especially between the relevant national institutions and donor agencies working in drug plant producing areas in the Lao PDR:

- There is a need of stronger coordination of development projects in opium poppy producing areas, especially between financial and technical cooperation with regard to appropriate infrastructure development
- Improvement of infrastructure and market access of the remote areas are necessary while taking into account that it be people centered and does not cause remote areas to be “overrun by the market”
- Curricula at agricultural schools and universities should adopt to national policies on rural upland
development. Skill upgrading of available staff through HRD plans is recommended.

- The growing presence of ATS also in the northern provinces could easily undermine community and alternative development efforts and should be taken into account in the national policy for drug control and development in general.

- Directly and indirectly related national policies (e.g. shifting cultivation stabilization) have to be taken into account and drug control plans should be integrated in the respective general development plans of the respective administrative level.

- The need for a parallel backing-up of alternative development efforts through law enforcement is strongly felt by various actors. Nevertheless, regarding the complexity of the task, there is also some fear that the time-objective for opium elimination by 2005/06 is too ambitious and might cause an unbalance between prohibitive approaches and alternative development.
1. INTRODUCTION

In the Lao PDR, in the province of Houaphan, there is a project named, “Shifting Cultivation Stabilization Pilot Project (SCSPP)”. Alternative development micro project A/D/LAO/00/D35 deals with village based development of the SCSPP.

This is a unique project of cooperation of beneficiaries villagers and the provincial authority of Houaphan (GHP), a loan from the Asian Development Bank (ADB) and development assistance from the United Nations (UNDCP).

The project cost of SCSPP has been estimated to be as follows: beneficiaries (GHP and villagers) - 21 %; ADB loan - 64 % (US $ 5.6 mil.); UNDCP - 15 % (US$ 2.1 mil.). The total estimated cost of the project is US$ 8.8 mil. to be spent during six years.

1.1 Overview of illicit drug situation

According to statistics of 1998, Houaphan province had about 3500 ha of land under opium poppy cultivation and around 2.9 % addiction rate was observed. An approximate estimate of opium production for the year 1998 could be mentioned as 12 - 15 tons.

Although there is no indication of production of amphetamine type stimulants within the province, officials responsible are convinced that trafficking of illicit drugs through the province is rampant and high.

Police check points are regularly organized in major routes as a measure to control drug trafficking.

The project area is adjacent to the district Xam Tai, having highest opium poppy cultivation density.

2. NATIONAL POLICIES ON DRUG CONTROL AND ILlicit CROP ERADICATION

The government of the Lao PDR has clearly set a goal of eradication of opium poppy cultivation in the
country by the year 2006 and the above mentioned project in the province would contribute in achieving the national goal.

Under the Lao Master plan, Lao-American Integrated Rural Development Project in Viengthong and Houamouang districts of Houaphan province was executed from 30 Sept. 1989 to 30 Sept. 1999. Grant aid of US$ 16 mil. was spent, with the purpose of building basic infrastructure, economic and social development, in order to reduce growing of opium poppy cultivation and slash and burn agriculture, and improve living standard of the 44,017 beneficiaries. As per documents, there was a 7-9 % addiction rate in 1992.

AD/LAO/00/D35 is a follow up of USA supported project under the Lao Master plan.

Prime Minister’s order No 14 specifically states that the national goal for eradication of opium poppy cultivation by 2006 and amendment to the article 135 of the criminal code on drug trafficking or possession in 2001 are positive measures under national policies.

3. REVIEW OF ALTERNATIVE DEVELOPMENT STRATEGIES AND APPROACHES.

Evolution of “Alternative Development” over the past twenty years having passed through UNFDAC and other predecessor organizations could be highlighted as historic. Accumulated experience of policies and programmes with the sole aim of reducing and eliminating the illicit cultivation of crops from which drugs may be extracted should be mentioned as unique.

Methodology has undergone gradual evolution from “crop substitution” to “integrated rural development” and reaching the present “alternative development” stage. National governments, multilateral and bilateral donors have collaborated in rural development programmes with no high emphasis on drug supply reduction policy. Equal importance should be placed for control of drug situation at district/village level, having empowered local institutions to enforce laws pertaining to drug production, trafficking etc.

For drug control activities, the programmes should be attuned to local circumstances, without adherence to universal applicability. Partners at local level involving community leaders and organizations, NGOs etc. should be a regular feature, to be successful in drug supply control.

In order to target action to reduce illicit cultivation of crops for preparation of drugs, a comprehensive programmes in collaboration with government institutions, and other agencies to provide basic infrastructure facilities, management of natural resources at local level, participatory technology development (PTD) for agricultural activities, harnessing of renewable energy, local capacity building, institutional strengthening etc. for sustainable development is highly emphasized.

4. DESCRIPTION OF THE PROJECT

4.1 Introduction

Houaphan is one of eighteen provinces of the Lao PDR, situated in the north-east of the country, bordering Vietnam. Population of the province is around 250,000. Access to the capital, Xam Neua could be made by a small plane in about 90 minutes from Vientiane, the capital city of Lao PDR. The road access is possible to Xam Neua from Vientiane, passing through Luang Prabang in about 30 hours, traversing around 900 km of all weather road including about 100 km of road in deteriorated condition.

Houaphan province with eight districts is situated between 19°-21° N and 102°-105° E. Project area belongs to the district of Xam Neua, having elevations from 950-1600 m. The project SCPP consists of 48 villages, covering an area of 70,000ha in two sub project areas: Nam Ham - 21 villages, Nam Ven - 27 villages. Number of households amounts to 2100 with 12,600 beneficiaries.

The programme title is: A balanced approach to opium elimination in Lao PDR. Project SCPP commenced in July 2000 and micro project AD/LAO/00D35 com-
menced in Jan. 2001 with the arrival of four UNVs and TA. The duration of SCSPP is six years. Lao National Commission for Drug Control and Supervision (LCDC) is the counterpart institution of the government of the Lao PDR and the PGH is the executing agency.

Within SCSPP, the agricultural activities, agroforestry, conservation of the environment etc. are carried out from the ADB loan. Village based development concentrating on drug supply/demand reduction is being done with UNDCP funds (US$ 2.1), having engaged four UNVs (community development, community health, infrastructure development and micro finance) and a Technical Adviser.

4.2 Objectives
4.2.1 SCSPP aims
Briefly, the aims of SCSPP could be highlighted as follows:
- Poverty reduction;
- Increase food production;
- Reduction of opium production and consumption; and
- Environmental protection and conservation.

4.2.2 Drug control objectives
The major objective is the elimination of opium production and abuse in Lao PDR. The village based development micro project AD/ LAO/ 00/ D35 aims to achieve the following major objective, through the immediate objective summarized as:
Elimination of opium production and abuse over six years, among 12,600 inhabitants of 2100 villages in two sub project areas, Nam Ham and Nam Ven.

4.3 Project strategies
Micro project has high emphasis to empower local communities to manage their own activities. With this in mind, the village based development has embraced the following: family as the primary unit and the community as the backbone of village development; learn with people and build knowledge and capacity through action learning; participatory approach for village communities to do their own analysis, plan action according to their agenda, aspirations, resources etc.; and make their own monitoring and evaluations.

Rapid Rural Appraisal (RRA)/ Participatory Rural Appraisal (PRA)/ Participatory Learning for Action (PLA) has one significant strength that, it is visible and therefore, accessible to a large group of people. The visual methods could be summarized as six main activities: mapping and modeling: sequencing (chronologically); listing; sorting; and ranking.

Village based development is a process with people, through people for development and it searches for real solutions to actual problems.

Strategy and approach for strengthening village based organizations for bottom up planning and environmental support could be mentioned as:
- Institutional strengthening and capacity building;
- Diversified sedentary farming systems development;
- Village based development;
- Rural infrastructure development; and
- Project management

4.4 Activities
Planning and implementation of project activities are based on grass-root level participatory approach with active involvement of beneficiaries at all levels, community institutions, PIO (project implementation office) and others. In addition to the sedentary farming systems development, the following four broad categories are the major contributors to village based development:
- Community development, where VDCs (village development committees) are formed/ activated, necessary sub committees are formulated (savings and credit, primary health care, water user associations etc.), village development planning process has been rekindled, natural
resources management awareness has been highlighted etc.

- Focus on gender, the roles women and men play in each and every activity have been emphasized.

- Community health affairs dealing with primary health care, pure and adequate supply of drinking water, awareness raising on drug abuse, training of village health volunteers, community based detoxification of drug addicts, environmental sanitation of the households and community, nutritional status improvements etc.

- Micro finance is charged with awareness improvement and training on savings and credit for village development, facilitate use of credit line available to enhance income generation activities and ultimately creation of a revolving fund in each village, to be used as a capital for future development.

- Community engineering has responsibility to execute infrastructure improvements identified by beneficiaries such as provision of rural roads/ tracks, pure drinking water supplies, irrigation facilities etc. and planning, construction and maintenance through water user associations (WUA). Necessary training and advise for WUAs.

4.5 Resources

GHP and beneficiaries would provide human and monetary resources for the SCSPP, amounting to 21% of the total project cost (US$ 8.8 mil.).

Micro project has a budget of US$ 2.1 mil. provided by UNDCP, earmarked for village based development support (training materials, construction accessories and equipment, credit facility etc.).

A sum of US$ 157,000 has been allocated under credit line to create a revolving fund.

4.6 Planned outputs

Outputs in the micro project, village based development, the following three are highlighted:

- Capacity building for village development planning;
- Technical support; and
- Management and coordination.

5. PROJECT MANAGEMENT AND IMPLEMENTATION

The SCSPP management structure consists of three major actors, controlled by the GHP, under the PIO.

PIO is composed of the National Project Director (NPD), Deputy NPD responsible for technical matters and counterpart staff seconded from GHP institutions responsible for agricultural development and extension, village based development etc. Local Consultancy Company chosen by the GHP has the responsibility to assist PIO, to make use of ADB approved loan as per project document. UN team assists PIO to implement village based development component, according to the project document.

According to the geographical location of villages, the project area has been divided into two sub project areas, each having a local development center (LDC). Each LDC would have a Manager and counterpart staff, directly responsible to the PIO, having autonomy for the management of each sub project area.

6. ANALYSIS OF IMPACTS OF ALTERNATIVE DEVELOPMENT PROJECTS ON ILLICIT CROP ERADICATION AND COMMUNITY DEVELOPMENT.

General analysis shows that AD projects positively contribute to community development and eradication of growing of opium poppy.

Especially, the infrastructure development, provision of primary health care education facilities, opening up to marketing facilities etc, show considerable improvements in living standards.

Provision of facilities for cultivation of irrigated paddy has positive influence on eradication of opium poppy growing. Limited availability of land for irrigated paddy compels some villagers to practice shifting cultivation under harsh conditions, hence opium poppy growing continues.
Limited availability of agricultural extension services, credit facilities and lack of law enforcement at village level could be mentioned as obstructions to AD projects.

7. SUMMARY OF GOOD PRACTICES AND LESSONS LEARNED FROM THE PROJECTS.

Bi-annual experience exchange meeting (EEM) has provided a forum to learn and exchange good practices and shortcomings in AD projects. Major points needing attention are as follows:

Good practices
- Participatory approach to planning, implementation, monitoring and evaluation;
- Provision of credit through community guarantee for income generation, purchase of medications and creation of a revolving fund for capital development of the village;
- Capacity building at village, community and district levels;
- Local governments to execute projects and creation of sub-project areas for effective, efficient management;
- Holistic approach of provision of basic infrastructure, economic and social development while giving high emphasis to reduction of drug supply.
- Awareness development, motivation, proper coordination at grass-root, district and project implementation levels through regular discussions, training, meetings and participatory monitoring and evaluations.
- Study tours, training sessions, visits to successful projects to get acquainted with new and profitable techniques, methods within and outside the province, to change attitudes, perception etc,
- Orient AD projects to achieve national goals specified in a master plan for eradication of opium poppy cultivation.

Lessons learned
- Law enforcement should go hand in hand with other activities of AD, especially at grass-root level:
- Having realized the complexity of AD projects, staff involved should be properly briefed, concepts of AD should be explained and necessary training the should be provided for effective management.
- AD projects should be planned in such a way that they can attract many donors, sharing the political will and achieve the ultimate goal of poppy cultivation eradication.
- More emphasis should be paid to detoxification through community based approach and the possibility of ATS penetrating into new areas should be given high attention.

8. RECOMMENDATIONS.

- Considering AD as a multisectoral process, long term development programme should be established to eradicate opium poppy cultivation by 2006 and Lao PDR to enhance living standards above LDC status by 2020.
- To match the needs of long term multisectoral development, village / district / provincial institutions should be reinforced with human resources and other basis necessities.
- In projects where sustainable non-wood forestry product exploitation is taking places, emphasis should be made to create markets, establish extension services and facilitate communities enhance income rapidly and systematically.
- Countries sharing common borders should facilitate each other to open markets for cross-border trade, hence agricultural production and improve local rural cottage industries.
- Projects having the capacity / capability to run local rural industries should be given immediate attention of improvement of quality and provide access to markets.
- Awareness raising of local authorities, beneficiaries etc. to involve cooperation at all levels and to ascertain sustainability is of utmost importance.


A. Overview of the illicit drug situation
1. Illicit drug production: The following is the data on cultivation and eradication of poppy from 1997/98 to 2000/2001-

<table>
<thead>
<tr>
<th>Year</th>
<th>Cultivation acreage</th>
<th>Destroyed acreage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997/98</td>
<td>151201.01</td>
<td>44479.35</td>
</tr>
<tr>
<td>1998/99</td>
<td>102066.766</td>
<td>9824.667</td>
</tr>
<tr>
<td>1999/2000</td>
<td>90455.1</td>
<td>10987.762</td>
</tr>
<tr>
<td>2000/2001</td>
<td>81661.1</td>
<td>24979.349</td>
</tr>
</tbody>
</table>

Collection of base line data on poppy cultivation was conducted in January 1998 and has been updated by the States and Divisions every year. According to the base line data we can see that the poppy cultivation has decreased substantially every year and also the number of acreage of poppy cultivation destroyed has been increasing over the years.

The production of heroin in Myanmar is conducted in the remote clandestine makeshift refineries and is very hard to estimate. But the following data is the seizure of heroin since 1996 and it shows a decreasing trend-

<table>
<thead>
<tr>
<th>Year</th>
<th>Sized heroin (kg.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>504</td>
</tr>
<tr>
<td>1997</td>
<td>1401</td>
</tr>
<tr>
<td>1998</td>
<td>403</td>
</tr>
<tr>
<td>1999</td>
<td>273</td>
</tr>
<tr>
<td>2000</td>
<td>158</td>
</tr>
<tr>
<td>2001</td>
<td>29</td>
</tr>
</tbody>
</table>

2. Cannabis (Situation and estimated production): Cannabis is cultivated in Myanmar for local consumption only and have no evidence of trafficking to other countries has been found. The following data is the seizure of cannabis since 1996-

<table>
<thead>
<tr>
<th>Year</th>
<th>Seized Cannabis (kg.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>263</td>
</tr>
<tr>
<td>1997</td>
<td>288</td>
</tr>
<tr>
<td>1998</td>
<td>380</td>
</tr>
<tr>
<td>1999</td>
<td>274</td>
</tr>
<tr>
<td>2000</td>
<td>601</td>
</tr>
<tr>
<td>2001</td>
<td>135</td>
</tr>
</tbody>
</table>

Presented by Mr. U Nyi Nyi Director, Progress of Border Areas and National Races Department and Lt. Colonel Wa Tin Deputy Director, Central Committee for Drug Abuse Control
3. Synthetic drugs and Amphetamine: Amphetamine Type Stimulants synthetic drugs were produced in clandestine makeshift labs along the border. The following is the seizure of ATS and precursor chemicals since 1996:

<table>
<thead>
<tr>
<th>Year</th>
<th>ATS tablets (million)</th>
<th>Weight (kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>5.9</td>
<td>590.6</td>
</tr>
<tr>
<td>1997</td>
<td>5.02</td>
<td>502.8</td>
</tr>
<tr>
<td>1998</td>
<td>16.02</td>
<td>1602.6</td>
</tr>
<tr>
<td>1999</td>
<td>28.88</td>
<td>2888.7</td>
</tr>
<tr>
<td>2000</td>
<td>26.75</td>
<td>2675.9</td>
</tr>
<tr>
<td>2001</td>
<td>9.76</td>
<td>976.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Seized Ephedrine (kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>2420</td>
</tr>
<tr>
<td>1998</td>
<td>3819</td>
</tr>
<tr>
<td>1999</td>
<td>6485</td>
</tr>
<tr>
<td>2000</td>
<td>2670</td>
</tr>
<tr>
<td>2001</td>
<td>2096</td>
</tr>
</tbody>
</table>

Trainings and Workshops on Precursor Chemicals were conducted in 1997 and thanks to it that the law enforcement agencies were able to detect ephedrine starting from that year.

4. Other major drugs: Other major drugs are opium and cough tablets and cough mixtures containing codine. Phensedyl and Phencodine cough mixtures are the most commonly abused drugs. The following data is the seizure of Phensedyl:

<table>
<thead>
<tr>
<th>Year</th>
<th>Seized Phensedyl (litre)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>1789</td>
</tr>
<tr>
<td>1997</td>
<td>896</td>
</tr>
<tr>
<td>1998</td>
<td>1286</td>
</tr>
<tr>
<td>1999</td>
<td>274</td>
</tr>
<tr>
<td>2000</td>
<td>222</td>
</tr>
<tr>
<td>2001</td>
<td>487</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Seized Opium (kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>1300</td>
</tr>
<tr>
<td>1997</td>
<td>7883</td>
</tr>
<tr>
<td>1998</td>
<td>5393</td>
</tr>
<tr>
<td>1999</td>
<td>1445</td>
</tr>
<tr>
<td>2000</td>
<td>1528</td>
</tr>
<tr>
<td>2001</td>
<td>449</td>
</tr>
</tbody>
</table>

5. Illicit drug trafficking: Illicit drug trafficking for heroin and ATS is done through the porous borders of People’s Republic of China, Lao PDR and Thailand towards the international markets. Precursor Chemicals are also trafficked from India, People’s Republic of China and Thailand. The following is the data of seized precursor chemicals:

<table>
<thead>
<tr>
<th>Year</th>
<th>Seized Precursor Chemicals (liter)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>46355</td>
</tr>
<tr>
<td>1997</td>
<td>89546</td>
</tr>
<tr>
<td>1998</td>
<td>92859</td>
</tr>
<tr>
<td>1999</td>
<td>58638</td>
</tr>
<tr>
<td>2000</td>
<td>89189</td>
</tr>
<tr>
<td>2001</td>
<td>57815</td>
</tr>
</tbody>
</table>

Heroin refineries are usually in the very remote and inaccessible border areas the following is the data of seized heroin refineries:

<table>
<thead>
<tr>
<th>Year</th>
<th>Seized refineries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>24</td>
</tr>
<tr>
<td>1997</td>
<td>33</td>
</tr>
<tr>
<td>1998</td>
<td>21</td>
</tr>
<tr>
<td>1999</td>
<td>13</td>
</tr>
<tr>
<td>2000</td>
<td>3</td>
</tr>
<tr>
<td>2001</td>
<td>2</td>
</tr>
</tbody>
</table>

6. Drug Abuse: Central Committee for Drug Abuse Control conducted the base line survey on drug addicts in 1998 and has being up dated every year by the States and Divisions. According to survey as of 2001 March there are 71439 addicts and the type of drugs abuse are as follows:

<table>
<thead>
<tr>
<th>Drug</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opium</td>
<td>45.55%</td>
</tr>
<tr>
<td>Heroin</td>
<td>40.21%</td>
</tr>
<tr>
<td>Cannabis</td>
<td>7.35%</td>
</tr>
<tr>
<td>Stimulants</td>
<td>1.93%</td>
</tr>
<tr>
<td>Cough Tables</td>
<td>1.38%</td>
</tr>
<tr>
<td>Tranquilizers</td>
<td>0.75%</td>
</tr>
<tr>
<td>Others</td>
<td>2.83%</td>
</tr>
</tbody>
</table>

B. Overview of national drug control policies and master plan

1. Myanmar has a vision for the total elimination of cultivation, production, and abuse of narcotics within
the whole of the country by the year 2014 and has laid down the following Strategy, Tactics and Methodology-

1.1 National Strategy: The following is the two national strategies on drug abuse control-
- To designate drug abuse control as a national duty and to perform this duty with added momentum;
- To raise the standard of living of the border areas and national races to gradually wipe out the habit of poppy growing.

1.2 Three Tactics: To implement the national strategies fully, the three tactics are adopted -
- Supply elimination
- Demand elimination
- Law Enforcement

1.3 Methodology: The three methods are followed for assured success-
- For the producer and abuser of narcotic drugs to enlighten their belief, conviction and their psychological make-up for the better:
- For the easy accessibility and communication between those national races in the highlands and those at various other places:
- To develop the socio economic condition of the national races and border areas.

1.4 Master Plan: The 15 years Narcotic Elimination Master Plan has been formulated and was implemented starting from 1999-2000 until 2013-2014. The Master Plan will be implemented in Three Phases-
- First 5 year plan
- Second 5 year plan
  2004-2005 to 2008-2009: 20 townships
- Third 5 year plan

1.5 Designating Prioritized Activities
- The elimination of cultivation and production of opium poppy;
- The elimination of the abuse of narcotic drugs;
- Enforcement;
- Organizing the local populace to participate in the fight against narcotic drugs;
- International Cooperation.

C. Summary of national programmes and projects on crop eradication and alternative development

The following are the national programmes and projects on crop eradication and alternative development -

1. The 15 year Narcotic Elimination Plan (1999 to 2014)

The 15 year Narcotic Elimination Plan has been implemented starting from 1999-2000 fiscal year designating the following prioritized Regions-
- First 5 year plan
  15 townships of the Northern Shan State
  6 townships of the Southern Shan State
  3 townships of the Eastern Shan State
  Total 22 townships
- Second 5 year plan
  7 townships of the Northern Shan State
  3 townships of the Southern Shan State
  6 townships of the Eastern Shan State
  4 townships of the Kachin State
  Total 20 township
- Third 5 year plan
  5 townships of the Southern Shan State
  2 townships of the Kayah State
  2 townships of the Chin State
  Total 9 townships.

1.2 Budget breakdown of the 15 year plan is as follows -

<table>
<thead>
<tr>
<th>Department</th>
<th>Kyats (million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>6072.899</td>
</tr>
<tr>
<td>Livestock Breeding</td>
<td>57.899</td>
</tr>
<tr>
<td>Roads, Bridges and Construction</td>
<td>22495.090</td>
</tr>
<tr>
<td>Communications</td>
<td>201.183</td>
</tr>
<tr>
<td>Energy</td>
<td>773.529</td>
</tr>
<tr>
<td>Commerce</td>
<td>23.636</td>
</tr>
<tr>
<td>Health</td>
<td>1632.850</td>
</tr>
<tr>
<td>Rehabilitation</td>
<td>405.000</td>
</tr>
<tr>
<td>Education</td>
<td>377.500</td>
</tr>
<tr>
<td>Kyats (million)</td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td>---</td>
</tr>
<tr>
<td>Organizing</td>
<td>352.550</td>
</tr>
<tr>
<td>Enforcement</td>
<td>1196.000</td>
</tr>
<tr>
<td>Total</td>
<td>33588.136</td>
</tr>
</tbody>
</table>

The following foreign (US$) currency shall also be utilized:

<table>
<thead>
<tr>
<th>Kyats (million)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>49.904995</td>
</tr>
<tr>
<td>Livestock Breeding</td>
<td>2.256000</td>
</tr>
<tr>
<td>Roads, Bridges and Construction</td>
<td>4.364710</td>
</tr>
<tr>
<td>Energy</td>
<td>5.400000</td>
</tr>
<tr>
<td>Rehabilitation</td>
<td>0.085714</td>
</tr>
<tr>
<td>Organizing</td>
<td>0.182250</td>
</tr>
<tr>
<td>Law Enforcement</td>
<td>87.806431</td>
</tr>
<tr>
<td>Total</td>
<td>150.000100</td>
</tr>
</tbody>
</table>

1.3 Expected results

- The 1st Five year: The 22 townships that were prioritized, namely 15 in Northern Shan State, 6 in Southern Shan State and 1 in Eastern Shan State will be developed all round. Regional development in the remaining 29 townships will also be initiated.
- The 2nd Five Year: The second priority 21 townships, 7 in Northern Shan State, 3 in Southern Shan State, 7 in Eastern Shan State and 4 in Kachin State, will receive the focal attention of the plan. It is important for the 22 first priority townships to maintain the successes in the elimination of opium in their areas and upgrade the continued achievements. There will be escalation of activities in the enforcement and educative sectors. The third priority townships will also be initiated their activities.
- The 3rd Five Year: The third priority 9 townships, 5 townships in Southern Shan State, 2 in Kayah State, 2 in Chin State, will be going full swing in the elimination of narcotics. At that period of time the other regions will be free from narcotics and the rest of the country will be catching on and they themselves shall be free. Law enforcement and education will escalate in tandem so that the populace will join in the movement and shake free from the clutches of narcotic drugs and gain footholds in the thriving economy to become in all round developed nation.

2. The Master Plan for the Development of Border Areas and National Races.

2.1 Three phases: It has been implemented since 1993 with the following 3 phases:
- First 3 years Short term plan 1993/1994 to 1995/1996
- First 5 years Medium term plan 1996/1997 to 2000/2001

2.2 Budget allocation: Kyats 17.708 billion has been allocated for the implementation of the Master Plan and as of May 2001 the State has spent 21.05297 billion kyats.

2.3 Objectives

- To develop the economic and social works and roads and communications of the national races at the border areas, in accordance with the aims which are non-disintegration of the Union, nondisintegration of the national solidarity and perpetuation of the sovereignty of the State;
- To cherish and preserve the culture, literature and customs of the national races;
- To strengthen the amity among the national races.
- To eradicate totally the cultivation of poppy plants by establishing economic enterprises;
- To preserve and maintain the security, prevalence of law and order and regional peace and tranquility of the border areas.

2.4 Strategies

- To construct all-weather roads in the vital and important regions and places;
- To help cultivate paddy for food security and cultivating cash crops like sugarcane,
maize, beans and pulses, and creating sustainable markets for the produce;
- To propagate promising perennial trees on a commercial scale;
- To open new primary schools where necessary and to upgrade primary schools into Middle Schools;
- To carry out endeavors for the prevention and the cure of common diseases in the border areas;
- To set up and upgrade all the means of media for public relations.

D. UNDCP and external funded alternative development projects

1. UNDCP projects
   - AD/MYA/98/D-93
     Project area: Laukkai Township, Kokang Region.
     UNDCP Contribution: US$ 339,000.
     Government Contribution: K 800,000.
   - A D / MYA / 98 / D-94
     Project area: Namtitt Township, Wa Region.
     UNDCP Contribution: US$ 226,000.
     Government Contribution: K 600,000.
   - AD/RAS/96/C-25
     Project area: Mong Pawk District, Southern Wa Region
     UNDCP Contribution: US$ 15,492,075.
     Government Contribution: K 28,358,000.
     Duration: 1998-2003 (5 years).

2. Karamosia International projects
   - Inle Lake Symbiotic Development Project (ILSD)
     Project area: Nyaung Shwe, Pindaya and Kalaw Townships, Southern Shan State.
     Karamosia Contribution: Yen 216,389,300
     Duration: 1998 Dec to 2001 Nov.
   - Wa Symbiotic Development Project (WSD)
     Project area: Mong Phyen township, Southern Wa Region.
     Karamosia Contribution: Yen 220 million.
     Duration: 1st Phase - 1999 Oct. to 2002 March
     2nd Phase - 2002 April to 2004 Sept.

3. Japan International Cooperation Agency (JICA)
   - 2KR Programme: Japan International Cooperation Agency provided the following 2 Grants for the Project of Increase of Food Production in the Border Areas of Myanmar under 2KR programme -
     1995  1 billion Yen
     1998  800 million Yen.
     The grant aid was utilized for the procurement of Agricultural inputs such as fertilizers and Agricultural Machinery.
   - Buckwheat (Soba) cultivation project for crop substitution
     Under this project 6 trainees were sent to Japan to train buckwheat cultivation and JICA provided 4 long-term buckwheat experts for the technical assistance. JICA also provided 24 tons of buckwheat seeds, 2 seed processing plants and 2 vehicles for the transportation of buckwheat.
     4 acres of trial buckwheat started in 1997 in Kokang Region, it was extended to 223 acres in 1998, 2145 acres in 1999, 3110 acres in 2000 and 4000 this year.
     18 tons in 2000 and 54 tons in 2001 have been exported to Japan and received 300 US$ in 2000 and 290 US$ per metric ton this year.

E. Analysis on impacts of the alternative development programmes and projects on illicit crop eradication and community development.

1. Approach: When implementing AD projects, the approach must be bottom up approach rather than up down approach. Only then you will be able to gain the trust and confidence of the communities winning the trust and confidence of the communities will foster the community participation.

2. Community participation: The success of the project depends very much on community participa-
Without community participation, no project will be successful.

3. **Time Frame:** Myanmar is committed to eliminate the narcotic drugs by the year 2014 and the Wa local leaders by the year 2005. We will have to implement measures. Within the limited time so it is needed to gain and win the hearts of the local people first, and only after we have gained the confidence the implementation of the project will be successful. That is to implement measures that will receive tangible results first and implement measures of abstract results later.

4. **International Assistance:** As Myanmar is a least developing country we have limited financial resources. But for some political reasons the western nations are imposing economic sanctions on Myanmar. That is affecting very much on the implementation of the AD project.

5. **Involvement of local and international NGOs:** Failure to integrate the local and international NGOs in the implementation of AD projects in Myanmar is effecting very much on the success of the project.

6. **Absence of Micro Credit Schemes:** Absence of Micro Credit Schemes have been affecting the establishment of income generating activities and also the crop substituting endeavors. It is also a must to foster Credit Schemes to facilitate the establishment of Small and Medium Enterprises to foster employment and income generating activities.

7. **Capacity Building and HRD:** AD projects have capacity building and HRD components but it is a must to couple the HRD and Credit Schemes. Without credit schemes the HRD endeavors will all be in vain.

8. **Need to have decentralization:** Unnecessary delays will occur with strict centralized implementation of the project. Empowering and decentralization will foster the successful impacts and results of the AD projects.

9. **The need of Sustainable Markets:** The success of AD projects also depends much on the availability of sustainable markets for the substitute crops and the income generating endeavors. Without sustainable markets, the communities will loose confidence and will certainly resort to opium cultivation of move and migrate to places where they can cultivate opium.

10. **Accessibility to the communities:** Without proper roads and bridges, it is very difficult to access the far-flung remote communities where AD projects are being implemented. It is a must to bring in the infrastructure of roads and bridges to facilitate the other packages and components of the AD projects.

**F. Summary of good practices and lessons learned from programme and projects.**

1. **Building of roads and bridges by the Border Areas development project.** Building of roads and bridges to the far flung border areas have facilitate the access and the transportation and the smooth flow of commodities and produce of crop substitution and income generating endeavors towards the sustainable markets.

2. **Empowering the communities.** By establishing Village Development Committee (VDCs) and the Mutual Help Teams (MHTs) to foster the community participation have been very successful.

3. **Electrification and water supply schemes:** The electrification and water supply schemes can win the hearts of the local communities with very high degree to foster community participation providing safe drinking water supply schemes will reduce incidents of water borne diseases and reduce a lot of time to fetch water which can be used for other income generating activities for the communities. Providing electricity will certainly enhance the standard of living and the establishment of cottage industries for the income generating activities.

4. **Need to couple the credit schemes with HRD:** The main discrepancy in the AD projects being implemented in Myanmar is the lack of Credit Schemes. HRD measures must be coupled with credit schemes to foster income generating and crop substitution endeavors.

5. **Need to establish revolving funds:** Most of the AD projects in Myanmar are lacking the establishment of Revolving Funds which will enhance the food security, crop substitution and income generating activities and foster the community participation.
6. Need to find ways and means to get international assistance: Western powers are imposing economic sanctions on Myanmar and is effecting very much on the AD projects. Need to find means and ways to convince the rich nations to marginalize political from drug issues. Need to integrate local and International NGOs to take part in the AD projects in Myanmar and step up Public Relations to net in the assistance from the international community.

7. Need to establish sustainable markets: AD projects in Myanmar are lacking sustainable markets. Mainglar Region declared their area as the Opium Free Zone in April 1997. They started to cultivate sugarcane as a substitute crop and establish a sugar mill in Mainglar. But in the absence of sustainable sugar market the farmers have lost faith in the crop substitution endeavors. UNDCP as well as neighboring countries have not solved this problem so the State has been subsidizing the sugar market to sustain the area as the Opium Free Zone.

8. Need to establish cross border cooperation mechanism: In order to establish sustainable markets for the Crop substitution and income generating endeavors.

9. Need to draw up a curriculum for WADP Schools: Schools in the project area and the Wa Region have been teaching Myanmar, English and Chinese Languages. There is an urgent need to draw up a curriculum to integrate all the relevant subjects.

10. Eradicate poppy cultivation by law enforcement and then work for sustainability: Due to time frame in the Wa region, it is a must to use law enforcement first to eradicate poppy cultivation and then work for sustainability.

11. Need to start the implementation of the project only when the funding is completed: WADP project started its implementation before the funding is half completed. The Chief Technical Adviser utilized all the budget of the first phase as envisaged in the project document. But problems arises when the project did not receive the remaining funding from the donors, and the project is in a very embarrassing situation where the local authorities and the local communities are loosing confidence and faith on the WADP project.

12. Small projects have more impacts than large projects: We have 2 small projects D 93 and D 94 which are more successful than C-25 WADP. Small projects are implemented with a bottom up approach and there is no need to hire expensive international consultants. Almost all the budget is utilized for the communities. Whereas more than half of the project budget from WADP is utilized for the construction of project HQ buildings, local personnel and the expensive international consultants. Need to formulate small and cost effective projects rather than the white elephant type big projects.

G. Recommendations for future development and implementation of alternative development and crop eradication initiatives

1. Balanced approach for alternative development: AD projects must be implemented with bottom up approach and must be synchronized between supply reduction, demand reduction and law enforcement sectors. When Mainglar region was declared as the Opium Free Zone, the local authorities first conducted preventive education and give 5 years for the preparation and crop substitution activities to have momentum. Then the authorities declared that no poppy cultivation will be allowed and enforced the law. When strict enforcement has eradicated the poppy cultivation, the local authorities with the help of the government then endeavored for the sustainability of AD projects in Myanmar are lacking balanced approach of the bilateral, multilateral, NGOs and International assistance.

2. Agricultural alternative development: There is no alternative crop on earth that can substitute the income of illicit opium poppy. But some of the crops like herbal medicine or sericulture can substantially substitute the income. By providing technology, seeds and agricultural inputs AD projects in the future will be more successful.

3. Non-agricultural alternative development: Livestock breeding, cottage industries, Establishment of Small and Medium Enterprises, promoting eco-tourism must be integrated in future AD projects.

4. Micro credit system for alternative development: Future AD projects need to integrate Micro credit schemes without such system and mechanism, the
income generating and crop substitution endeavors will not be successful. It is the key element for the success of the AD projects. International NGOs such as GREAT or MYRADA etc. must be integrated in the AD projects.

5. Marketing strategies for alternative development: Skills and micro credit and credit schemes will generate produce, which must have sustainable markets. Without sustainable markets, the former poppy will lose confidence and faith on the AD projects. There must be a mechanism to sell the produce of AD projects to local and international markets. There for future AD projects must produce only the substitute crops and establish income-generating activities that will have sustainable markets. UN Agencies and International Agencies should also explore market access through private sector and the NGOs both local and international.

6. Cross border cooperation and trade: There is a cross border mechanism already established for the information sharing and law enforcement activities. In this way, we can also establish a mechanism for the cross border cooperation and trade to get sustainable markets for the produce of future and present AD projects in Myanmar under the auspices of UN Agencies, ASEAN, ADB and other International Organizations.

7. Emerging challenges and roles of UN and International Development Agencies: Myanmar have committed to eradicate narcotic drugs by the year 2014 and the Wa local authorities have also their commitment of eradicating narcotic drugs by the year 2005. The commitment is already there but we do not have the necessary helping hand from the international community wholeheartedly yet. Myanmar would like to welcome any kind of assistance whether it is technical, financial, in kind or even moral support.
Wa Alternative Development Project

1. Background

- The Eastern Shan State is the main poppy growing region in Myanmar and the main supplier of opium in southeast Asia for the region.

- In recent years the eastern Shan State has also become a source of illegal Amphetamine Type Stimulants (ATS) for the regional market.

- Following peace agreements signed with the Wa authorities in 1989, the Government of the Union Myanmar (GOUM) has begun to establish development activities in these areas under the auspices of the Ministry for Border Areas and National Races and Development Affairs (PBANRDA, also known as Natala).

- In 1999 Wa Leadership gave a political commitment to make Special Region No 2 opium free zone by 2005.

- UNDCP started its operation in the Southern Wa area, eastern Shan State in 1994 with the objective of strengthening the commitment of the Wa to stop opium poppy cultivation, reduce drug use and assist farmers to find alternative livelihood.

- Following the previous UNDCP projects in the Eastern Shan State, the Wa Alternative Development Project (WADP) was formulated in 1996 and started implementation in 1998. It has now began operating for three years in the Wa region in order to encourage the Wa in their actions and assist farmers to cease poppy cultivation.

- The WADP project document was signed by GOUM, the Republic of China and UNDCP in 1997. Implementation commenced in July 1998 with the first phase completed by December 2000.

- The project covers the following administrative area located in the southern Wa region of the Shan state and stretches an area of some 1300km².

The project area consists mostly of highland people practicing swidden agriculture, and where 75% of the population has 6 months rice shortage. They cultivate opium poppy to offset this rice deficit.

- According to the baseline survey of 1999, 44% of 6000 households reported cultivating an average of 0.5 acres of opium poppy producing an equivalent of 7 to 10 Mt of opium total in project area.

- In 1999 survey, opium addiction affected one in six families.

- ATS addiction is also increasing dangerously.

Chinese connections;
“Trade and investment are the engines of economic growth” World Bank.
The close vicinity of the project area with China has induced a merging of culture and economies across the border. People of both sides share similar history, culture, and ethnic origins as well as language and livelihoods. The currency in use is the Chinese Yuan. With the opening of the road to China a corridor of relatively rapid growth has expanded to the south. A number of infrastructure works have been achieved in the past 2 years by Chinese contractors (roads, hydropower station, markets, buildings, weir). It is unfortunate that the opening of the area has also led to serious deforestation.

The WADP is operating in a very difficult context:

- UNDCP was the first international organization to work in the Wa area and has played a pioneer role.
- The area is remote and mountainous and remains very isolated with poor access roads. (Closest Myanmar town to project headquarters is 10 hours drive and to a Chinese town 2 hours).
- Many languages are used in the project areas: Chinese, Lahu, Akha, Shan, Wa, Myanmar
- National security is often number one priority of the GOUM, which does not have control over the area. Regional geo-strategy plays also an important role in preventing possible conflicts or harmonizing divergent interests.
- The Wa authorities have a very autocratic government system and a poorly developed local administration. This can lead to some difficult relationship with Wa authorities for lack of clarity on who the main decision maker is.
- Unfamiliarity with the key concepts of the project such as “community based” and “participatory”, associated with low capacity of the WA to understand those concepts.
- Unknown and isolated society created a distorted image of the Wa projected by the international media and the international community which became more sceptical and has lost interest in supporting the Wa.

2. Objectives and initial strategy

Objective:

- Establish a sustainable, community based approach to the reduction and eventual elimination of supply and demand for opium in the Wa region.

Approaches:


Specific project strategies:

- Sound situation analysis
- Attending to villagers priorities while involving local authorities
- Pilot activities in a few selected nucleus or core villages
- Focusing on key farmers, women and youth
- Facilitating inter-community and farmer-farmer extension
- Expanding progressively from core villages to surrounding communities

- The education level in the region is very low.
- The project has difficulty to recruit skilled and motivated professionals from the Wa as well as from the GOUM.
Maximizing income opportunities while improving physical access
Facilitating learning-by-doing to build practical skills and capabilities
Establishing a project Geographic Information System (GIS)


During its first phase the project established its basic infrastructure, developed working relationship with local counterparts and made some progress on community based development.

Activities conducted in phase 1:
- Establishment of 2 clinics
- Treatment of leprosy (60 cases)
- Provision of an expanded programme of immunization (3,000 children)
- Community health services including HIV/AIDS programme
- Community based detoxification program for 120 drug users
- Establishment of 10 schools, Provision of educational material and training for teachers
- Vocational training (5)
- Introduction of improved rice varieties and soil fertility management
- Tea nursery established for income generation on 150 ha
- Introduction of improved breed livestock and vaccination of animals
- Electrification of Mong Pawk Township and water supply in 10 villages and 2 townships
- Planning for extension of two new townships, developing and improving irrigation systems
- Road construction over 15 kms
- Village based organization in 16 pilot villages
- Study tours

Some points of evaluation of the first phase of the project concluded that:
- At the initial status of the project, institutional capacity, ability of the GOUM and the WA capacity to provide input and support were overestimated (too ambitious).
- The project was too elaborate and complex with too many activities and should be reformulated to attain its objective.

Community development was showing some results in the first phase but underestimated the important role of the Wa authorities. For a number of reasons the Wa authorities suddenly came to view the project as a threat to their own security. An incident in the Ha Da village in June 2000 was the starting point of gradual interdiction of the Wa authorities to all the villagers to collaborate with the project. Furthermore, in November 2000 the project staff was forbidden from entering the villages. It became clear that there was a major misunderstanding between the objectives of the WADP and what some of the Wa authorities expected from or understood about the project.

It is probable that the project started with too much funds (mainly spent on infrastructure) and with too many activities conducted at the same time, which could not be properly monitored, and most importantly, assimilated by the community.

Even if some good results were achieved in the first phase the impact after 2 years remains weak and the foundations were not solid. Moreover, the international credibility of the Wa declined and the international community was reluctant to put new money in the area. The project was forced to cut down from a planned US $ 3.4 million for 2001 to a mere US $ 0.6 million. At the end of 2000, the project landed in a deep internal and external crisis.

4. December 2000: Revision of the project and Phase 2

In view of the above problems the concept and strategy of the project had to be re-discussed with Wa authorities, the GOUM and the international community. During November and December 2000, the newly appointed UNDCP Country Representative and Project Coordinator, together with other members of the UNDCP/WADP team, managed to negotiate a project proposal with US $ 1.2 million activities for year 2001.

A new strategy for phase 2
The project will take into consideration some requests of the Wa for specific interventions to work in low land areas where they think the project can make a difference but it will continue also to work in some targeted highland villages.

The project will continue with the concept of community based alternative development.
Activities will be concentrated in two main catchments (Nam Naw & Nam Lwe) for 2001 where the project will concentrate on four substantive areas: livelihood, infrastructure, health and education.

The main catchments were chosen because: They have a particular interest to the Wa authorities with many lowland areas where food production can be increased and are close to the main towns.

They both have a high density of opium poppy cultivation.

The outcome of this pragmatic approach will be threefold:
- A substantial increase in food production.
- A substantial reduction of opium poppy cultivation in the two target areas.
- A better understanding with regard to community-based alternative development approach. Based on those tangible results the project from 2001 on will urge its international partners to expand the project back to its original size.

If the down sizing implies a loss of overall impact of the project in the Wa region, UNDCP will try to compensate this through strategic alliances. (NGOs, UN agencies, grass-roots grants...)

2001 activities to be implemented with limited funding:

Livelihood component:
Intensified and diversified rice based systems; improved return from livestock with animal vaccination; alternative income generation such as tea plantation and orchards; training provided to key farmers for the above and study tours to key farms.

Health component:
Child immunization programme, Leprosy elimination programme, support to clinics and primary health care. Facilitation to obtain a grant from Japan to build a hospital. NGOs will be introduced to work on HIV/AIDS, drug demand reduction and Malaria control in the area.

Infrastructure component:
A limited number of school buildings and additional village and township water supply will be constructed. Support to the towns planning will be expanded.

Education component:
A tripartite meeting organized between WA-GOU and UNDCP to discuss the Wa strategy for education. Schools built by the project operational with material and teachers and some teacher trainings provided.

Monitoring and surveying:
Baseline data collected and annual poppy survey.

Better or improved understanding and positive results can be expected:

After an extremely difficult start the trust was restored and the working relationship improved during the first 6 months of the second phase.

The Wa authorities understood that in the actual stage of financial crisis the project cannot do much more than showing new technologies and methodologies, expose the isolated Wa to the new standards and norms, which, as a final objective, will allow the Wa to integrate within the international community.

Although more difficult to explain, UNDCP made it clear that it is a drug control programme and not a development programme. This implies that UNDCP can generate alternative income and basic structures of development, but will not be the engine of macro development itself as they expected.

To make a real impact through the project, has to grow back to its original size + similar projects need to be started in the Northern Wa and the Kokang area.

5. Summary of good practices and lessons learned from the project.

- To develop strong cost-effective methods which can be easily replicated by the people themselves.
- To train actively local people on those methods.
- To establish a very strong monitoring of activities to review the results.
- To transfer a maximum of competency not only to villagers, but also to the Wa autho-
rities in a way so they feel ownership of the actions

- To replicate some of the successful actions in other areas
- To keep only key project staff with a strong potential and willingness. To recruit Community Development Facilitator permanently based in villages to transmit knowledge.
- To develop additional training for staff, authorities, community.
- To have short-term professional consultants from NGOs to work on specific activities who could eventually be involved later on in a partnership with UNDCP.
- To have a component to work on capacity building of the Wa authorities.
- To update the understanding of the dynamism of the opium poppy cultivation and its role in the economy of the villagers as well as the authorities.


- There must be peace and security for development. Existing in the Wa for last 12 years.
- There must be political will from the government and the Wa. The Wa have made the political commitment to be opium poppy free by 2005.
- There must be community support and trust building. Dialogue by senior project staff with the Wa authorities to foster their acceptance of community development approaches has to take place on a regular basis.
- Government cannot do everything and has limited resources.

There must be involvement of civil society at large, including the private sector. UNDCP is playing the role of honest facilitator and catalyst bringing Natala / Wa and villagers together as partners. Project should also focus on development as a mechanism of entry for public services (health, education, agriculture, road maintenance...).

- The time frame is long and there is no quick fix. Time is the most important ingredient if community development approaches are to succeed. Project has already been extended after evaluation for this reason and should be extended again if necessary.
- Law enforcement & development activities should be undertaken simultaneously but should clearly be separated. Wa authorities have already started a prohibition of poppy cultivation and phased eradication in some areas of the project.
- Development effort must be soundly based on local analysis. There is no international or national formula. I.e.: The Wa want to address the problem of rice production before focusing on cash crops and marketing since the number one concern for the Wa is food security. They also want to focus on low land development before highland development where they have a relocation policy.
- To be sustainable, target communities must own development activities. Ownership of the past and future activities needs to be addressed.
- Development must give isolated communities the possibility to participate in the wider community through development of infrastructure, networks and economic systems. Bottom-up planning, which is a major part of community base approach, must remain a goal.
- Prevention of drug abuse (demand reduction) must be addressed at the outset. Drug addiction is significantly expending with the abuse of ATS, not adequately addressed in this project, since it is different from opium addiction.
- Do not limit Alternative Development to farm income generation base or production of cash crops to the exclusion of off farm employment especially where conditions permit private sector investment. Employment opportunities should be explored with township expansion.
- Do not forget the important role of women in illicit poppy cultivation. Consequently the need to offer income and employment alternatives to women.
Support for Opium Eradication Programmes in Kokang Special Region No. 1 and Nam Tit Township, Wa Special Region No. 2, Shan State

Background

1. In June 1998, Mr. Pino Arlacchi, the Executive Director of the United Nations Office for Drug Control and Crime Prevention visited Myanmar. During his visit, Mr. Arlacchi also visited the Northern Shan State, where he met with the Leaders of the National Races. During those meetings, the Executive Director heard future plans for the development of the Special Regions, which will lead to the eventual eradication of opium poppy cultivation in the Kokang and Wa Special Regions. The Executive Director pledged UNDCP’s assistance of US$ 500,000 to support the Myanmar Government’s alternative development measures to eradicate opium poppy cultivation in Laukkai, Kokang Special Region No. 1 and Nam Tit Township, Wa Special Region No. 2.

2. On June 12, 1998, a meeting was held in Lashio at which activities were presented for UNDCP consideration by national leaders and Myanmar government authorities. The national leaders also reported difficulties encountered in their attempts to eradicate opium poppy in their regions. In particular, the impoverished situation of the local inhabitants, high illiteracy rates, dependence on opium poppy cultivation for generations to meet basic needs, lack of food security, poor health conditions, non existence of all weather road communication, etc. Furthermore, the leaders presented the main activities that have been identified for implementation in Laukkai district, Kokang Special Region No. 1 and Nam Tit Township, Northern Wa Region, Wa Special Region No. 2, that would help in phasing out opium poppy cultivation in the Special Regions. Subsequently, two project documents entitled “Support for Opium Eradication Programme-Kokang Special Region No. 1” (AD/MYA/98/D93) and “Support for Opium Eradication Programme-Nam Tit Township, Wa Special Region No. 2” (AD/MYA/98/D94) were formulated and signed between the UNDCP and the Government of the Union of Myanmar on November 11, 1998.

Presented by Mr. Guillaume Le Hegarat,
UNDCP Country Office,
Yangon & U Kyaw Thu, Laukkai/Nam Tit Development Project Consultant
Project Objectives, activities, planned outputs, strategy and resources

3. The immediate objectives common in both projects are - the area under irrigation is increased, a high yielding rice variety is introduced and road access is improved. In the case of Kokang Special Region, immediate objectives also include - improved varieties and crops are introduced, the provision of potable water is extended and X-ray facilities are established in Laukai district.

4. Activities and planned outputs for Kokang Special Region are as follows: -
   Activities --
   - Renovation of Mong Tong Par dam
   - Construction of ditches to enable 300 acres to be irrigated adjacent to the Mong Tong Par dam
   - Construction of a dam at Tar Shwe Htan to enable 30 acres of nearby land to be irrigated

   Planned outputs for the above activities are --
   Additional 330 acres of land are brought under irrigation during 1999.

   Activities --
   - Procurement of 127.5 tons of Sinn Shwe Wah rice variety
   - Organize distribution of seed in form of seed bank/revolving fund
   - Train 50 farmer representatives in improved rice cultivation
   - Procurement of 127.5 tons of wheat seed
   - Organize distribution of seed in form of seed bank/revolving fund
   - Train 50 farmer representatives in improved wheat cultivation
   - Establishment of a nursery for perennial crops at Kon Kyan

   Planned outputs for the above activities are -
   3000 acres of paddy rice are planted with Sin Shwe Wah variety, 4000 acres are planted with wheat and a perennial crop nursery established during 1999.

   Activities --
   - Preparation of specifications and tender documents for construction of a bridge and approach road
   - Award contract and monitor work of contractor

   Planned output for the above activities are -
   A bridge and approach road is constructed on the Kon Kyan - Hong Ai - Maw Htike road.

   Activities --
   - Preparation of specifications and tender documents for extension of water supply systems
   - Award contracts and monitor work of contractors

   Planned outputs for the above activities are -
   The water supply networks in Laukai and Kon Kyan townships are upgraded.

   Activities --
   - Preparation of specifications and tender document for supply and installation of X-ray machine
   - Award contract
   - Training of 3 hospital technicians in the use of the X-ray machine

   Planned output for the above activities is an X-ray machine is installed and functioning in Laukai hospital.

5. Activities and planned outputs for the Nam Tit township, Wa Special Region is as follows: Activities --
   - Construction of a dam embankment across the Nam Tar creek in Vinghim village
   - Construction of a 4 mile long irrigation ditch to Mang Ohn Par village to enable 700 acres of land to be irrigated
   - Construction of a 6 mile long irrigation ditch in Mang Ohn Par village tract to enable 700 acres of land to be irrigated
   - Renovation of the 10 mile long irrigation ditch connecting Mong Khan San village to Pan Lawk creek to enable 100 acres of land to be irrigated
   - Extension and renovation of the irrigation ditch in Mi Htan Haw village to enable an
additional 20 acres of land to be irrigated
- Renovation of the irrigation ditch between Nam Mu creek and Pan Khaw to enable an additional 150 acres of land to be irrigated
- Train in 100 farmer representatives in improved water management and irrigation system maintenance

Planned output for the above activities is 1670 additional acres of land are brought under irrigation during 1999.

Activities --
- Procurement of 72 tons of Sin Shwe Wah rice variety
- Organize distribution of seed in form of seed bank/ revolving fund
- Train 50 farmer representatives in improved rice cultivation techniques

Planned output for the above activities is 1670 acres of paddy rice are planted with Sin Shwe Wah variety during 1999.

Activities --
- Preparation of specifications and tender documents
- Award contract and monitor work of contractor

Planned output for above activities is a 15-kilometer long section of graveled road is constructed between Nam Tit and Pan Khun by mid 1999. (Actual distance between Nam Tit and Pan Khun is 51 kilometers with a large portion of it through rugged mountainous and densely forested areas)

6. In actual project implementation, some of the activities in the D93 project of Kokang Special Region were renegotiated and changed, while many activities were dropped in the case of the D94 project of Nam Tit township, Wa Special Region. The desire to make changes was submitted to the Project Steering Committee by representatives of both Special Regions for approval. In the case of D93, due to uncertainties over whether the Mang Tong Par dam (activity 1.1) will hold and stop leaking even after renovation, the local leaders, with the assistance of government technical agencies submitted a new design to collect water from the natural water source for storage in a 100,000 gallon capacity reservoir for distribution of potable water to the nearby Mang Tong Par village as well as channel all excess water through irrigation ditches to enable irrigation of 300 acres of land adjacent to the existing unusable dam, within the already agreed budget. This revised proposal also served as a dual purpose for distribution of potable water as well as for irrigation.

7. For the establishment of a nursery for perennial crops, the site for such an establishment was changed from Kon Kyan to a village just outside Laukai town for practical purposes. Separate training programme for farmers in improved rice and wheat cultivation techniques were not conducted since practical training was given at actual planting of the crops. Furthermore, upgrading of Kon Kyan water supply network was also dropped from the original plans since the local leaders wished to concentrate on the water supply system in Laukai town because of its rapid expansion and increasing population. For all remaining resources of the project budget, the local leaders submitted to the Project Steering Committee for permission to utilize it for further extension of the Laukai water supply system, to which the Steering Committee approved.

8. In the case of the D94 project for Nam Tit township, the local leaders submitted to the Project Steering Committee their desire to limit the activities to three only, namely, renovation of the existing 17,000 feet long Vinghim irrigation canal, construction of a weir and 12,000 feet irrigation canal at Mee Htan Haw and construction of a 15-kilometer section of the Nam Tit - Pan Khun road all within the allotted budget.

9. Having approved the above changes submitted by the local leaders, the Project Steering Committee requested government technical departments concerned, which are represented as members in the Steering Committee to conduct necessary surveys and submit specifications for preparation of documents and invitation to tender. In discussing ways and means over how best to invite and award tender to prospective contractors, the Committee identified many difficulties. Some of these were — lack of local newspapers published in Myanmar, English or Chinese; amount of resources to be utilized for advertisement
in the national as well as news media of neighboring countries with regard to tender invitations and related time constraints; availability of local contractors willing or able to carry out required construction work especially in the remote border areas, or supply required amount of rice and wheat seeds.

10. In view of the above difficulties and taking into consideration the guidelines set forth by the Government with regard to disbursement of funds, it was agreed that the Myanmar Agricultural Service be designated to supply rice and wheat seeds since no single local entity could supply the required amount of either. For all other activities, it was also agreed that local development organizations for the two projects, each chaired by a local leader with members/representatives from government technical departments as required, be established for the purpose of implementation of activities agreed under the projects.

11. The key strategy for both projects was to build upon the existing collaboration between the leadership of both the Kokang community and the Northern Wa area community and the Myanmar government agencies to provide the means by which the provision of improved social and economic conditions can effectively contribute to a further reduction and eventual elimination of opium poppy cultivation.

12. In the area of resources, most of the cost estimates for all activities under both projects, except provision of rice and wheat seeds, far exceed the amount of budget allotted under UNDCP assistance. The activities were therefore financed in part by UNDCP and in part from local sources in the Kokang Special Region No. 1 and the Wa Special Region No. 2.

Modalities of the project management and implementation

13. In order to effectively manage the projects, a Project Steering Committee for each project was established under the chairmanship of the Commander of No. 2 Base Tactical Command in Kunlong. The Deputy Director General of the Department for the Progress of Border Areas and National Races and the General Staff Officer (Grade I) of the Northeast Command were appointed as Vice-chairmen. The membership of the Steering Committees included Kokang community leaders for the D93 project and Nam Tit community leaders for the D94 project. Other members on the Steering Committees include representatives of the Ministry of Agriculture and Irrigation, the Ministry of Construction and the Ministry of Health. The Alternative Development Adviser represented UNDCP on the Steering Committees at the initial stage and later on by the Assistant Resident Representative.

14. As soon as the projects were approved and funded, the first meetings of the Project Steering Committees were held on 2 December 1998 in Lashio to prepare detailed work plans. During those meetings detailed discussions were made with regard to procurement of wheat and rice seeds and timely distribution for cultivation; preparation of specifications in the case of construction/renovations of dams, weirs, canals, bridge, and water supply systems. At this meeting, the Wa representatives also stated their desire to limit their previous identified activities to three only. In other words, all activities are identified by the local development organizations and submitted to the Project Steering Committee for approval. The design, costing and feasibility study (in the case of infrastructure) is carried out by the government technical departments with project support and the implementation is the responsibility of the respective development organization.

15. Memoranda of Agreements (MoAs) were drafted for each of the activities under the two projects, based on the model memorandum of agreement of contractual undertakings intended for the engaging of services or activities to be performed by local community-based not-for-profit organizations and associations - referred to as “Local NGOs” (eg., in the case of Quick Impact and Micro-Projects) for amounts generally less than US$150,000. These were then submitted to Department for the Progress of Border Areas and National Races (NATALA) and the United Nations Development Programme (UNDP) in Yangon for their comments and approval. Once agreement was received from both the NATALA and the UNDP, the Memoranda of Agreements were signed with the Myanmar Agricultural Service and the UNDCP in the case of supply of rice and wheat seeds in Yangon. For all other activities, Memoranda of Agreements were signed between the Laukai District Development Organization (LKDDO) and the UNDCP in the case
of D93 project, and between the Namtit Township Development Organization (NTTDO) and the UNDCP in the case of D94 project at a Steering Committee meeting on May 5, 1999 in Lashio. The LKDDO was chaired by a member of the Kokang Special Region Administrative Group and the NTTDO by the Chairman of Namtit Special Township Administrative Group. Representatives of the local administrative bodies and government technical departments were included as members to assist the respective development organizations in the implementation of activities as well as prepare necessary progress and financial reports to be submitted periodically to the UNDCP as required under the MoAs.

16. As soon as the MoAs were signed at a meeting of the Steering Committee, the first installment of payment for each activity in bank drafts were handed over to the representatives of the LKDDO and the NTTDO as agreed in the MoAs on 2 June 1999. Payments were made in three to four installments after completion of certain amount of work completed and as agreed by each development organization, depending on the nature of work to be carried out for each activity. Following payments in installments were remitted directly to the Bank Accounts of the development organizations maintained at the Yoma Bank in Lashio. This is done after each inspection is carried out by a team comprising of representatives of the UNDCP, the concerned government technical department and NATALA (sometimes the Steering Committee Chairman himself in the case of D94 project for Nam Tit) as required under the MoAs. All payments were made in Kyats.

Lessons learned from the projects

17. This assistance given by the UNDCP with regard to opium poppy eradication in Kokang Special Region was the first ever. This was highly appreciated by the leader of the Kokang Special Region U Hpon Kyar Shin. He said that no matter how small the assistance may be, the recognition given by the international community for the efforts made by the Kokang people to eradicate opium poppy cultivation and production was of paramount importance. This appreciation was expressed when the UNDCP’s Alternative Development Adviser called on him at the early stages of negotiation for the D93 project. Likewise, at different occasions, the leadership of the Namtit Special Township also expressed their high appreciation for UNDCP’s assistance in supporting their opium eradication programme.

18. This model of institutional arrangement of both D93 and D94 projects is considered to be satisfactory by all parties concerned, i.e., the local leaders, the Myanmar Government, UNDCP and the UNDP. All activities are identified by the Laukai District Development Organization and the Nam Tit Township Development Organization and submitted to the respective Project Steering Committees for approval. The design, costing and feasibility study (in the case of infrastructure) is carried out by the Myanmar Government technical departments with project support, and the implementation is the responsibility of the development organization. As the assistance given is to support the opium eradication programmes of both Special Regions, it is only fitting that activities are identified by the local people, and implemented by their own respective development organizations. This, it is felt, also brings out the sense of ownership by the local inhabitants, leading to sustainability in the local plans for opium eradication in the Special Regions.

19. Both LKDDO and NTTDO showed great enthusiasm in carrying out activities under the projects. The D93 project being carried out under the watchful eyes of the Kokang National Race Leader and the D94 project under the Chairman and Vice-chairman of the Nam Tit Special Township Administrative Council. In the case of D93, due credit must be given to Lt. Col. Khin Maung Tin, Vice-chairman of the LKDDO and Chairman of the Laukai District Organizational and Administrative Group and the Secretary, Sai Aung Myint, Kokang Liaison officer. Both men showed leadership, responsibility and dedication. Likewise, in the case of D94, the Vice-chairman of Nam Tit Special Township Administrative Group U Aik Yon was the driving force in seeing all activities implemented, with great enthusiasm.

20. There were occasions where misunderstandings and difficulties are encountered, however. Most of them were mainly due to lack of understanding of UNDCP’s mode of operations, language barrier, and sometimes failure to understand and abide by the stipulations stated in the MoAs. Lack of government agencies’ presence in Nam Tit Town was also one of the
reasons why difficulties sometimes arose for that project.

21. Some of the difficulties encountered with regard to D93 is as follows:-

- Due lack of road communications, the construction site of a bridge between Hong Ai and Maw Htike villages was three nights and four days’ walk within Kokang territory from Laukai town. Because of this situation, only a one-time inspection of this activity was made possible soon after the bridge and one side of the approach road was completed, with the inspection team having to cross into the People’s Republic of China and then entering back into the Myanmar territory and back the same way on return.

- Because of the difficult terrain, it was not possible to visit the villages where perennial crops provided by the project were cultivated (mangoes, lychees, quince, longan, walnut) making the inspection team having to rely on photographic records of the LKDDO distributing perennial tree saplings.

- Likewise, as in above case, distribution, cultivation and harvest of rice and wheat also had to be relied on photographic records and progress reports by the LKDDO.

- The final activity of the D93 project, Laukai town water supply system, still needs a final inspection, since it is yet to be completed, with the final payment still on hold.

22. The following are the difficulties faced in Nam Tit:-

- Absence of government agencies in Nam Tit town made access itself to the town difficult. It is understood that even the Secretary of the NTTDO, Chairman of the Hopang Township Peace and Development Council had difficulty in access to the Nam Tit town. On almost all inspection trips, before and after the activities commenced, the Chairman of the Steering Committee accompanied the survey team as well as the inspection team to Nam Tit. Each time such trips were made, permission had to be sought from the Nam Tit Wa leadership to enter Wa territory. This made communications, monitoring and inspection difficult. Unless U Aik Yon was present in Nam Tit, any inspection or discussions were quite difficult if not impossible.

- Any changes made with regard to the agreed plans in each activity, however slight they may be, or whether such changes do not deviate from the original objective, were made known to UNDCP or the inspection team, only when actual inspection was carried out. However, since the Project Steering Committee Chairman himself accompanied the inspection team on all inspection trips said changes were submitted to the Chairman by U Aik Yon or the NTTDO Chairman himself during inspection.

- Language barrier more pronounced, making it difficult to understand each other (from either Wa or Chinese to Myanmar itself)

- Difference in Government and Wa jurisdictions. According to the Myanmar Government administrative jurisdiction, Nam Tit town is included under Hopang Township, which is situated some 25 miles from Konlong across Nam Ting River. However, Nam Tit Town according to the Wa is designated as a Special Township within Wa jurisdiction. This difference created confusion at the early stages of discussions in the Project Steering Committee meeting to confirm final activities to be implemented under D94 project. The Wa authorities, who already had plans to construct a 51-kilometer road between Nam Tit and Pan Khun within their own territory from their own resources, wanted project resources to be utilized for however long section of that road possible. On the other hand, the Myanmar authorities wished project resources to be utilized for the same road, but Nam Tit-Hopang section of the Nam Tit-Hopang-Pan Khun road, meaning the section of the road within Myanmar government administrative jurisdiction. Because of this difference in interpretation, the UNDCP was caught in a difficult situation. However, this difference was later on resolved, paving the way for all
parties to carry out the activity as originally planned and submitted by the Wa authorities.

23. Notwithstanding the above misunderstandings or difficulties, implementation of both projects went well with satisfaction expressed by all parties concerned. However, it must be admitted at the same time that not all activities were carried out strictly in accordance with the letter and spirit of the MoAs. In some cases, it is felt that flexibility must be shown by all parties, without drastic deviations from the originally agreed objectives stipulated in the MoAs.
1. Overview of the Illicit Drug Situation

The narcotics problem in Thailand today is more crucial than in previous years, especially the methamphetamine problem. The supply of methamphetamine comes from both inside and outside the country, has expanded intensively. The drug producing and trafficking syndicates strengthened their capacities by expanding their drug networks into Thai territory.

The epidemic trend of new emerging drugs in Thailand such as Cocaine, Ecstasy, Ketamine, etc. has taken place in the same areas and target groups.

1.1 Illicit Drug Production

**Opium:** Opium poppy in Thailand was grown mostly by the hill tribes in highland areas and was integrated into their daily life as a cash crop and basic medicine. Since the successful implementation of narcotic crops control programs, poppy cultivation has dropped gradually from 8,777 hectares in 1985 to 1,087 hectares in 2000.

**Heroin:** The production area of heroin has remained active along Thai-Myanmar border areas. At present, in this area heroin production still exists. Since 1985 to present, clandestine heroin refineries were not found in Thailand.

**Cannabis:** Cannabis plantation are scattered in several provinces in Thailand. For 20 years Thailand has applied measures on the eradication of cannabis. It does work because cultivation has prominently decreased significantly from 301 tons in 1993 to 46 tons in 2000.

**Methamphetamine:** At present, it is the most serious problem in Thailand. Methamphetamine was found to be locally produced for local consumption in 1987. However, domestic production of methamphetamine is about 20% of the total distribution of this drug in the Thai drug market.

**Ecstasy:** Based on its high price, ecstasy use is restricted and popular among groups of wealthy youngsters. In March 1999, clandestine ecstasy was first found by the police in Songkla Province in the South of Thailand. The laboratory run by Singaporean and Thai produced more ecstasy tablets by blending ecstasy powder with other components and then distributed to local clients. It is anticipated that in the future there will be more clandestine ecstasy labs operated regarding to its high profit.

1.2 Illicit Drug Trafficking

**Heroin:** In 2000, there were 21 cases of heroin from Southwest Asia seized at Bangkok International Airport amounting to 46.42 kg. In January 2001, another 126 kg. Of heroin was seized from drug couriers in the Andaman Sea. The problem for Thailand
today is that the country is used frequently to smuggle heroin to international markets.

**Methamphetamine:** Millions of methamphetamine tablets are smuggled across the northern border into the country. In 2000, 82.4 million methamphetamine tablets were seized, the highest figures ever recorded. In January 2001, a joint task force of Royal Thai Police, Royal Thai Navy and ONCB arrested drug couriers along the Andaman seacoast, carrying with them 7,798 million tablets. In May 2001, a task force of the 3rd Army, the 5th Region provincial police and ONCB seized a total of 13 million methamphetamine tablets at the Thai-Myanmar border area in Tak Province.

**Cannabis:** The smuggling of Cannabis via Thailand has decreased, and smugglers have paved new routes into neighboring countries in the East. Adversely, there is some hashish smuggled from Pakistan and Nepal to be sold at some tourist sites in Thailand, and also trafficked from Thailand to third countries.

**Ketamine:** Ketamine is normally smuggled into Thailand from Pakistan.

### 1.3 Epidemic Situation of Narcotic Drugs

In 1993, the Thailand Development Research Institute (TDRI) conducted a study on the estimated number of drug addicts. It was estimated that there were 1.27 million addicts. Among this number, 257,965 were methamphetamine abusers. Today, this number has increased 3-4 times more.

- Raw opium remaining after eradication efforts is mostly consumed by the tribal peoples to alleviate tension and for ritual ceremonies.

Since 1995, Thailand has seriously stepped up the suppression of drug trafficking into and via her territory to international markets. However, the exported amount of heroin has decreased. An internal epidemic was found in some locations and both retailers and consumers were the same groups.

- Cannabis in Thailand is typically for distribution in the country and export overseas.

- Methamphetamine abuse happens in every region and can be found among workers and youth groups, as well as students. According to an ONCB study in 1999 among 5,365,942 of school students 663,290 (12.40%) were involved with illicit drugs (mostly amphetamines). The greatest number of ATS offenders undergoing treatment was in the 15-19 years age group, most of them students and unemployed youth. In addition, ATS abusers tend to include younger student in elementary school and out-of-school youth, as well as street children.

- Since 1996, ecstasy abuse has spread among local youth aged between 18 to 25 years. Ecstasy abuse is often found in entertainment places where there are the gatherings of actors, actresses and overseas graduates.

- As for cocaine, it is still used by a limited group of people in the city and is imported from western countries, but not in high quantity.

### 2. Overview of National Drug Control Policies and Master Plan

Thailand is in the process of implementing the current five-year Narcotics Control Plan (1997-2001) aiming to minimize the demand and supply sides of drug problems. The 3 main issues of this plan are:

- Creating negative attitudes against drugs in the public and improving the capacity of communities in preventing and solving drug problems.

- Developing a complete treatment and rehabilitation program for drug addicts with emphasis on quality service and participation from families and communities.

- Improving the legal and justice systems and procedures to efficiently and continuously intercept producers and dealers of drugs and related chemicals.
Acknowledging the severity of drug problems and long term effects which undermine stability and economic development of the country, the Thai Government now considers drug control one of the leading domestic issues, as proclaimed by the Office of the Prime Minister Order No.141/B.E. 2541 (1998) on the narcotics drug prevention and suppression policy under the strategy of “state civil alliance against drugs” with the objectives for the control of the rapid spread of narcotic drugs and reduction of drug problems, with close cooperation and unity of each concerned sector in fighting against drugs.

In 1999, the Royal Thai Government has proclaimed the Anti Money Laundering Law to control money laundering from drug trade and other illegal business.

At present, the current government has proclaimed the Prime Minister Office Order No.119/BE 2544 (2001) on “the defeat of narcotic drug problems policy” under the strategy of “unite all national powers for drug elimination” with the objectives to:

- Enlist all national and local sectors to fight against drug problems,
- Control of all related chemicals and precursors,
- Effective law enforcement to be taken
- Complete treatment and rehabilitation programs
- Effective intelligence and information to be developed
- Improve drug laws and legal processes
- Improve administrative and coordinating structures/organizations
- Closely cooperate with international organizations
- Provide more research, development and monitoring on drug issues.

3. National Policies, Strategies and Approaches or Illicit Crop Control and Alternative Development

- Opium was brought to Thailand by Chinese merchants since 1282 (in Sukhothai period). The peril of opium became obvious in the history of Thailand in 1360 when King Ramathibodi I, the first king of Ayudhaya, proclaimed a criminal code which included an article about opium addiction. Opium addicts and dealers were put in jail until they could stop the habit and after release, their family were on probation to keep them free from opium.

- This opium prohibition policy was implemented continuously for almost 500 years till the Bangkok period in late eighteenth and early nineteen centuries.

After the opium war in China in 1842, the Chinese mostly from southern provinces immigrated into Thailand, bringing opium with them. Some ethnic group of Chinese (Miao, Yao) settled in hill areas and started planting opium poppy and expanded the cultivated areas substantially in the 1950s. Eventually opium poppy became a cash crop and supplied to users in opium dens in the cities.

- In 1851, the opium problem became worse. King Rama IV, realizing that opium couldn’t be controlled by law alone, changed the policy and strategy. He legalized opium smoking among the Chinese and opium revenue was collected. Opium addicts were required by law to register with the authorities and opium smoking could be done only in authorized opium dens. This policy continued for about one hundred years.

- In the hill areas, opium cultivation expanded in the 1950s. The government was concerned about opium production and security problems. Various agencies came to work in the hill areas in the 1950s. Some new agencies were established such as, Border Patrol Police (BPP) in 1955, Department of Public Welfare (DPP) in 1959, National Tribal Welfare Committee in 1959, etc.

- In 1959, the government led by Field Marshal Sarit Thanarat, feared increased opium production and consumption. To conform with the UN resolution, it issued a proclamation banning all production, sale and use of opiates on December 9th, 1959.
In 1959-1960, the government paid more attention to the highlands and tribal people by establishing the National Tribal Welfare Committee and key agencies, such as Department of Public Welfare, Royal Forestry Department, BPP, played important role in solving problems in the highlands according to their mandate and responsibilities.

In 1960, Thailand established the 1st National Master Plan for economic development (1961-1965) which focused on developing the entire country. To solve problems in the highland more effectively, it required sufficient information as baseline data, and Thailand asked international agencies for technical assistance.

In 1965-1966, the DPW surveyed the socio-economic conditions in the highlands and the next year a survey team, financed by UNCD, investigated the social and economic needs of opium cultivation areas of northern Thailand. The result of the study estimated opium cultivation at $\sim 18,500$ hectares, with a yield of 145 tons in the 1965-1966 season. The government accepted advice from the survey team to develop social and economic conditions of the highlands with a large-scale effort.

- H.M. King Bhumibol Adulyadej graciously initiated the Royal Project in 1969 to help tribal people, starting with crop replacement programs and expanded to cover multi-sectors programs. The Royal Project provided valuable knowledge and experience to the government and relevant agencies in formulating policies and strategies to work in the hill areas.

- In the 1970s, there was a clear policy on illicit crop control, with a crop replacement strategy. Meanwhile, donor assistance came to Thailand to help solve highland problems under various projects (see details in 4). On the other hand, policy on permanent settlement of tribal people was unclear.

- In the 1980s, the government formulated the Highland Master Plan, with the strategy and approach widely implemented by development projects and absorbed by government agencies. An opium eradication approach was firstly implemented in 1985.

- In the 1990s, the conflicting policies were solved when a highland development policy was endorsed and supported by the 1st Masterplan for Community Development, Environment and Narcotic Crops Control (1992-1996, 1993-2001) as a special system to support the work of government agencies and highland development projects. A more participatory working approach was widely used. Donor agencies, government agencies, and peoples organizations worked together more closely. Increased demand reduction was implemented, with supply reduction, in a more balanced as well as community-based approach.

In 2000, the government proposed highland development in a more holistic and systematic manner. The 9th National Economic and Social Development Plan, a "Human Approach", paved the way for the 10th NESD plan. Special programs to solve remaining problems and prevent emerging problems, such as the spread of amphetamines, conflicts over natural resources, permanent settlement in more balanced-accepted approach will be implemented. When the 2nd Master plan for Community Development, Environment and Narcotic Crops Control terminates in 2001, a networking, balanced centralization and decentralization approach will be emphasized.

4. Summary of National Programs and Projects on Crop Eradication and Alternative Development

Thailand has accumulated experiences and lessons learned on crop eradication and alternative development for at least 30 years, which can be summarized into 4 periods:
4.1 The Early Initiatives on Crop Substitution and Replacement

It was happened during the late of 1969’s and the whole 1970s. The first program in Thailand was initiated by H.M. King Bhumibol Adulyadej in 1996 on the Royal Project, which has been implemented up to the present. Some years later, UNDCP initiated the Crop Reduction and Community Development Project and the Highland Agricultural and Marketing Project in the late of 1970’s.

4.2 The Integrated Rural Development

Since the lessons and experiences gained from the 1970s, the approach on integrated rural development was designated and implemented in the 1980s to fulfill the basic needs of the target population and communities. There were several projects in this period e.g. Mae Sa Integrated Watershed and Forest Land Use Project, Mae Chaem Integrated Watershed Development Project, Thai-Australia Highland Agricultural and Social Development Project, Thai-German Highland Development Programme, Thai-Norway Highland Development Project, Doiyao-Phamon Highland Development Project, and the 3rd Army in Doi Kao Highland Project and Doi Tung Development Project which was established in 1984.

4.3 The Recent Participatory Alternative Development Approach to Opium Cultivation

Participatory methods were gradually adopted through the 1970s and 1980s. The managers of large projects and involved government officials recognized that without active people’s participation little would be accomplished. In the 1990s, several highland development projects had adapted their methods to be more participatory.

- ONCB recognized the need for conducting more demand reduction work and involving local communities in its efforts. In 1994, it initiated a study entitled “model for solutions to drug problems at the field level focusing on community roles and government and NGO mechanisms facilitating problem solution in the community in 150 villages in the country’s four regions. The study found that communities indeed had the potential to prevent and solve problems, but that a flexible multifold response was needed. The conclusion also noted that the roles of officials should be supportive rather than directive. In 1997, the Cabinet authorized ONCB to use Community-Based Drug Abuse Control in 1,145 villages identified as having severe drug problems.

- Thai-UN Projects initiated more community-based work of all types, in particular on drug treatment during the later phases of some projects. A newly designed project, the Integrated Pockets Area Development Project (IPAD) was established from 1991-1994 to cover opium poppy growing regions so small or isolated they had been overlooked in the previous work. In eradicating drug production, the project placed emphasis on developing social groups, leaders and citizen participation.

- In the final phase (1994-98), the Thai-German Highland Development Program had changed its focus to involve the villages in most areas of its work. The program was working to strengthen peoples’ organizations, such as credit groups, rice banks and the Sub-district Administration Organization (TAO).

4.4 Balanced Approaches on Integration of Alternative Development, Demand Reduction and Law Enforcement

Thailand’s effort to control opium production and to develop the highlands has been massive and time consuming. However, there are 5 main components of Thailand’s balanced approach:
National Unity
Under the moral leadership of His Majesty King Bhumibol, Thailand identified opium poppy replacement as a national priority. Through frequent visits to hill areas, starting in the 1960s, His Majesty built loyalty to Thailand among the hill people and made them more willing to participate in the alternative development work. As he visited the hill people, the Government allocated funds to build roads and carry out infrastructure improvements in those locations. Besides enhancing the development process, law enforcement efforts became more effective.

Alternative Development with People’s Participation
Thailand’s work included campaigning against opium use, promoting socio-economic development and the participation of the people. Different agencies, including NGOs and the private sector, carried out various aspects of these three components. The various income generating activities and infrastructure that enabled them to implement made it possible for the opium growers to make a living without poppy.

Ample and Long-Term Support
His Majesty the King’s Projects and international donor projects began supporting crop replacement in Thailand in the 1970s. Since then, NGOs, the private sector, and the Government have provided hundreds of millions of dollars as well as an inestimable amount of volunteer time in opium replacement and highland development. By contrast, the Government’s investment was spread throughout the hills more evenly.

Demand Reduction
Thailand began conducting active demand reduction during the 1980s. In hill areas, and with help from NGOs, Thai as well as tribal language media are used. ONCB works with the Ministry of Education in school-based programs and with Sub-district Administration Organization and other peoples’ organizations, as well as NGOs, in a variety of drug prevention initiatives.

Law Enforcement
ONCB has conducted an annual poppy cultivation survey since 1979 in order to enhance the effectiveness of the eradication campaign in accordance with the overall drug control plan. ONCB, in cooperation with the Border Patrol Police and the 3rd Army, engages in an effective poppy eradication program every season.

UNFDAC/UNDCP Funded project
1) Crop Replacement and community Development
   Duration: 1973-1979
   Target population: NA.

2) Highland Agricultural and Marketing Project
   Duration: 1980-1984
   Target population: 7,390

3) Thai-NCA Highland Development Project
   Duration: 1985-1993
   Target population: 7,100

4) Pae Por Highland Development Project
   Duration: 1987-1994
   Target population: 7,950

5) Sam Muen Highland Development Project
   Duration: 1987-1994
   Target population: 10,300

6) Wiang Pha Highland Development Project
   Duration: 1987-1994
   Target population: 9,000

7) Doiyao Phamon Highland Development Project
   Duration: 1990-1994
   Target population: 12,650

8) Integrated Pocket Area Development Project
   Duration: 1990-1994
   Target population: 11,400
5. **UNDCP External Funded Alternative Development Projects.**

There were several UNFDAC/UNDCP highland alternative development projects in various provinces where there were large opium producing areas in northern Thailand from 1970 until 1994.

These Projects were mainly in the field of alternative development for opium supply reduction, only project #7 and #8 used more participatory methods on Community-Based Drug Abuse Control Program.

6. **Analysis of Impacts of the Alternative Development Programs and Projects on Illicit Crop Eradication and Community Development.**

The following analysis summarizes the experiences in highland development projects from the past 20 years.

### Positive Impacts
1. Decreased opium production and use.
2. Good progress in rural development.
4. Reinforced village organization structures.
5. Improved skills in functioning in Thai society.
7. Good socio-economic and demographic data is essential.
8. Facilitated forest land use.
9. Provided Thai citizenship.
11. Planned highland development.

### Negative Impact
1. Increased heroin availability.
2. Greater impact on environment because alternative crops need larger growing area and more chemical inputs than opium poppy.

7. **Summary of Good Practices and Lessons Learned from the Programs and Project.**

**At the policy level**

**Visionary Leadership**

Thailand was fortunate that H.M. King Bhumibol Adulyadej was promoting environmentally friendly, participatory projects before the development community "devised" them. The common folk, recognized in him high levels of "parami" (means grace, loving kindness, charisma, stature, power and greatness). The king influenced government agencies to assist the poppy growers especially where regulations impeded providing such help.

**Participation of the People**

It's inevitable to involve peoples' participation at all stages of the projects (planning, implementation, monitoring & evaluation). The form of indirect or direct participation depends upon analysis of the situation.

**Permanent Settlement**

Without permanent settlement of the tribal people, the investment of the Alternative Development project will not produce high yields in the short and long terms. This framework must be clear prior to the implementation of projects. Unfortunately, the supporting legal framework for this is not yet in place.

**Balanced Approaches**

In order to solve the narcotics problem (Demand and Supply), a balanced approach between agricultural and socio-economic initiatives is necessary.

**Holistic systematic approach**

This has been proved for more than 30 years - that a holistic & systematic approach is a valuable practical approach to solve problems in the highlands. However, this has also proved difficult to achieve, especially at higher levels.

**Cooperation of Stakeholders**

Cooperation and coordination among agencies (government, non-government) people and other key institutes at all levels will be a key
factor to support successful management of the projects.

Institution Building (IB)
Institution building, both formal and informal, of Government Offices, NGOs, and POs must be well designed and implemented for all project management staff, such as, preparation of project staff in understanding highland conditions, people etc. at the first stage will ensure continuation of development in the long term.

Networking
Networking, especially at the community level, has been proved very effective in increasing capacities of stakeholders in working together and sharing resources, leading to greater sustainability.

Project Management Structure and System
Project management should be compatible with existing government organization structures to facilitate the transfer of knowledge and skills, and the continued operation and sustainability of methods and activities.

At the implementation level
1) It was possible to promote alternative cash crops among tribal farmers. However, arrangements must be made to facilitate marketing.
2) A strong focus on reducing opium poppy cultivation through crop substitution is not in itself effective. More attention needs to be paid to the provision of other basic services.
3) The promotion of cash cropping can successfully contribute to reduction in opium poppy cultivation. However, suppression measures are also required, otherwise poppy continues to be cultivated.
4) Credit and marketing should be designed to be sustainable after the project. Marketing should be facilitated rather than operated by the project.
5) The integration of other non-agriculture services should be included in the development of the project and the responsible line agencies should participate directly in the project.
6) An integrated balanced range of strategies prove effective in achieving sustainable reduction in opium poppy cultivation. This included the provision of basic services and activities to assist the target population to meet their basic needs and law enforcement.
7) Only after other serious problems (of heroin addiction) had emerged, was it realized that far too little attention had been paid to demand reduction issues related to trafficking.
8) There needs to be more decentralization of budgetary authority and program planning to provincial, district and community levels.
9) Special support is required to develop strategies and programs in the field of demand reduction among tribal populations.


8.1 Balanced Approach
- The drug demand reduction and supply reduction measures (carrot and stick approach) should be jointly enacted during the implementation of alternative development. In most cases, the suppression measures are also required for the drug traffickers.
- The surveys of opium poppy growing areas should be carried out continuously. Results of the survey should be contributed and/or coordinated with concerned agencies.
- The Government should provide more opportunities and support for non-government organizations (NGOs) and the private sector to develop experience and expertise in working directly on alternative development with rural communities.
- The participation of the people, both from the target population and all concerned sectors, should be organized, mobilized and implemented together on campaigning against opium/drug use and the promotion of socio-economic development in the target areas.
- The Government should put alternative development into the national institutional framework and fully support the activities. Also the international donors
should continually assist and support long-term investment.

8.2 Agricultural Alternative Development
- Information systems and land use patterns on agriculture should be well-organized and participatory planned prior the implementation of activities takes place.
- Agricultural inputs should be suitably packaged for farmers and fitted in line with local conditions, e.g. rice, fruit tree, cash crops, livestock, etc.
- Land use rights and citizenship should be provided for the target population, because these are one of the main elements for the sustainable agricultural development.

8.3 Non-Agricultural Alternative Development
- The systematic study of possible non-agricultural alternative development should be conducted with the cooperation and participation of the target population and relevant agencies.
- Training on possible designated non-agricultural activities should be provided to the target population to increase their skills and potential.
- Tourism on local natural resources and the sale of traditional handicrafts products should be promoted as off-farm income generation activities.

8.4 Micro Credit System
- The forms of micro credit systems e.g. village fund, sub-district fund and financial institute (such as Bank of Agriculture and Cooperatives) should be set up with clear directives.
- Criteria for loan consideration should be linked to development potential and community management
- Credit collateral for the target population should be addressed through joint liability groups

8.5 Marketing strategies
- Marketing strategies must receive sufficient attention, and be initially designed with the combination of agriculture and non-agriculture alternative development approaches.
- The basic arrangements e.g. accessible roads, tracks etc. must be made in advance to facilitate the local marketing.
- The domestic market should play important roles e.g. The Royal Project and The Doi Tung Development Project sell their products to major domestic markets.

8.6 Cross Border Cooperation and Trade
- MOU member countries should encourage alternative development activities in border areas.
- Some possible border areas with existing potential alternative development projects can exchange experiences and/or support technical know-how e.g. the Royal Project and the Doi Tung Development Project.
- Basic international communication at border areas e.g. roads, bridges and telephone system etc. should be considered.
- The exchange of National Drug Liaison Officers among different member countries should be encouraged.
- MOU member country should have a chance to exchange experiences, report progress on alternative development and related drug issues on an annual basis.
- Cross border trade should be based on member countries' mutual benefit and potential.

8.7 Emerging Challenges and Roles of UN and International Development Agencies
- The threat of Amphetamine-Type Stimulants (ATS) is considerable in South East Asia, especially in Thailand. The member countries should cooperate to design and formulate strategic plans to meet this challenge.
- As a result of the economic crisis, the drug situation has become even more severe. Therefore, the international community should pay increasing
UNDCP should follow-up on the Bangkok Political Declaration In Pursuit of a Drug-Free ASEAN 2015 and support member countries in solving narcotic drugs problems as well as alternative development activities in highland areas.
The Role of Non-Agricultural Development in the Doi Tung Development Project

1. Initiation of the Doi Tung Development Project

The Doi Tung Development Project started in 1987 under the initiative of Her Royal Highness Princess Srinagarindra, the late Princess Mother, mother of His Majesty King Bhumibol Adulyadej. Much of the success of this rather complex project can be attributed to the charisma and vision of this elderly woman. Though she passed away six years ago at age 94, her energy, compassion, and wisdom continue to inspire those working for the Doi Tung Development Project.

Governments or other organizations can initiate and implement successful projects according to their policies and plans; but as we have seen time and again in Thailand, the vision and drive of dedicated leaders, whether at the national or the project levels, are critical to a project's success.

Since her sixties, during the insurgency period in Thailand, Her Royal Highness energetically traveled to remote villages throughout the country to provide medical care as well as education and economic support to the country’s poorest citizens. Usually, after months of very busy schedules, the King would make her take brief rests in Switzerland where she had raised her family. As she neared age 90, Her Royal Highness declared that she would no longer travel to Switzerland, but would stay permanently in Thailand and continue to work for the benefit of the people. Her Private Secretary knew he would have to find an appropriate site for her outside of congested Bangkok, and Doi Tung at 1,000 meters above sea level was thought to be such a place.

At the start of 1987, Her Royal Highness visited the site. She recalled an earlier visit there some 20 years before, when the mountainsides were already denuded. She agreed that her new house would be built there, but it was also Her Royal Highness’ nature that she must work wherever she went, so it was no surprise when she told her Private Secretary she would live there only if she initiated a project for the well being of the people and to improve the environment of Doi Tung.

2. Healing Man and Nature

When Her Royal Highness arrived at Doi Tung, the people there faced numerous problems. Forest encroachment for slash-and-burn agriculture and opium poppy fields damaged the ecosystem. Opium was their only cash crop. Its easy availability led to drug addiction by about 5 percent of the population. The lack of economic opportunities led the hill tribes to seek...
other sources of income. With their limited education and opportunities, many were forced into sexual exploitation of young girls, child labor and illegal employment, prostitution, and drug trafficking. Prostitution and drug addiction led to the spread of disease, in particular AIDS.

Her Royal Highness had always recognized that people’s health, their education, and even their cultures could be maintained only if the environment in which they live is also healthy and can provide them with sufficient means to live. It was clear that a multi-pronged approach was needed to improve the lives of the people while also improving their environment.

3. Project Management and Implementation

The Doi Tung Development Project covers nearly 150 square kilometers in northernmost Thailand, bordering Myanmar for 26 kilometers. Nearly all the land is officially forest area, though mostly barren of trees when the project started. The land was officially under the control of the Royal Forest Department and, for security purposes, the Royal Thai Army, with Border Patrol Police stationed near the border.

With the start of the Doi Tung Development Project, numerous civilian and military offices of the government, state enterprises, and several private sector organizations sought to contribute. The Mae Fah Luang Foundation was appointed to serve as coordinator for what were at times nearly two dozen organizations. Work in the project area began with the development of basic economic and social infrastructure such as roads, electricity, health stations and water supply, and extensive reforestation efforts, including economic forests to provide incomes for the local residents.

This was the major financial contribution of the government to the Doi Tung Development Project. Table 1 presents a summary of the budget contributions from the main government agencies involved in the project between 1991 and 1993, amounting to nearly 20 million US dollars over the three years.1 By far the largest expense was road construction and repair, accounting for nearly 60 percent of the government budget to Doi Tung during those years. Another nearly 17 percent of the budget went to water supply, and 2 percent for electrification.

The project was fortunate to have these considerable financial resources at its start. The problem was how to coordinate the efforts of all the organizations - government and private - involved in its implementation. A coordination committee was established, with the Mae Fah Luang Foundation as a neutral party serving as coordinator in the planning and implementation. This helped reduce potential conflicts and jealousy between the various government Ministries and Departments. None could claim it was the main “owner” of the project, none had sole responsibility for funds. All were given a role and full recognition in planning and implementation.

An organization such as the Mae Fah Luang Foundation also had a long-term commitment to the project. It could oversee the formulation of long-term plans, some up to 30 years, the expected life of the project as the land is rented for that period from the Royal Forest Department. Government officials change through promotion and reassignment. An official dedicated to the project may be replaced by another who is less interested. Governments also change, and with them their policies. A government fully supporting a project may be replaced by one less involved. An organization such as the Mae Fah Luang Foundation, whether a private enterprise, an NGO, or some other neutral organization, can provide the long-term leadership and dedication to see a project to completion.

After the first years of major infrastructure development, the government role became directed more toward social and economic development. Overall funding was reduced, but the types of activities became even more varied. Occupational training was initiated by the Princess Mother in 1992, and by 1994, permanent occupational development centers for agriculture, handicrafts, and small-scale cottage industries were established, in accordance with Her Royal Highness’ policy of ‘helping the people to help themselves’. The project introduced economically valuable fruits and flowers, along with improved methods of cultivation. At the same time Doi Tung started to become developed as a nature and culture tourist destination, with the Mae Fah Luang Foundation promoting local residents to provide tourism support services.

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1 The exchange rate during this period was roughly 23 to 25 Baht to 1 US dollar.
4. A Multi-Faceted Approach: Agriculture, Non-Agriculture and Tourism

Although we have been asked to discuss the roles of Handicrafts and Tourism in the Doi Tung Development Project, it is necessary to first discuss the role of agriculture in the lives of the people in the project area. Before the start of the Doi Tung Development Project, most of the income of the residents in the area came from shifting cultivation, with opium as their main cash crop. Other cash income came from prostitution (mainly young women sent, and sometimes sold, to work in cities), and from involvement in drug trafficking. With the introduction of the Doi Tung Development Project, most of the land used for shifting cultivation was reclaimed by the state for reforestation.

As can be seen in figure 1 below, the change in land use was dramatic. From a largely denuded landscape, the Doi Tung area has been transformed to a largely forested landscape. But with the reduction in cultivated area, what has happened to people’s income? Some has been compensated by economic forests, forests for subsistence, and the retention of some crop land. Indeed, as figure 2 indicates, income obtained from agriculture actually increased during the project period, even though the agricultural area was drastically reduced.

However, this increase in agricultural income by itself would in no way help develop the project area. Other sources of income had to be found to help bring the standard of living of project residents to a decent level, and these were provided through the many non-agricultural activities of the project. The main sources of income were with project activities and for the cottage industry training centers. These are listed in as “labour” but are in fact the wages earned at the several factories or training centers and processing plants in the project, in providing services to support tourism and the project administration, and as workers in the economic forests of Doi Tung. In 2000, 1,226 of Doi Tung’s 10,377 residents were hired to work for more than forty centers, companies, or “programs” under the Doi Tung Development Project:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Budget (million Baht)</th>
<th>Percent</th>
<th>Main Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Highways</td>
<td>268.5</td>
<td>54.94 %</td>
<td>road construction</td>
</tr>
<tr>
<td>International Security Office</td>
<td>8.0</td>
<td>1.63 %</td>
<td>road repair (along border)</td>
</tr>
<tr>
<td>Accelerated Rural Development</td>
<td>15.7</td>
<td>3.21 %</td>
<td>road repair</td>
</tr>
<tr>
<td>Provincial Electrical Authority</td>
<td>10.0</td>
<td>2.04 %</td>
<td>electrification</td>
</tr>
<tr>
<td>Public Welfare Department</td>
<td>0.9</td>
<td>0.18 %</td>
<td>community development</td>
</tr>
<tr>
<td>Community Development Department</td>
<td>4.4</td>
<td>0.90 %</td>
<td>community dev. / skill training</td>
</tr>
<tr>
<td>Department of Local Administration</td>
<td>1.1</td>
<td>0.23 %</td>
<td>community dev. / skill training</td>
</tr>
<tr>
<td>Royal Thai Army</td>
<td>11.0</td>
<td>2.25 %</td>
<td>Security</td>
</tr>
<tr>
<td>Royal Irrigation Department</td>
<td>81.7</td>
<td>16.72 %</td>
<td>water development</td>
</tr>
<tr>
<td>Royal Forest Department</td>
<td>64.7</td>
<td>13.24 %</td>
<td>Reforestation</td>
</tr>
<tr>
<td>Department of Land Development</td>
<td>3.1</td>
<td>0.63 %</td>
<td>erosion control</td>
</tr>
<tr>
<td>Department of Livestock</td>
<td>1.4</td>
<td>0.29 %</td>
<td>livestock promotion</td>
</tr>
<tr>
<td>Department of Fisheries</td>
<td>1.2</td>
<td>0.25 %</td>
<td>pond fisheries</td>
</tr>
<tr>
<td>Ministry of Industries</td>
<td>8.4</td>
<td>1.72 %</td>
<td>handicraft dev. / skill training</td>
</tr>
<tr>
<td>Ministry of Education</td>
<td>2.8</td>
<td>0.57 %</td>
<td>non-formal education, child care</td>
</tr>
<tr>
<td>Ministry of Public Health</td>
<td>5.8</td>
<td>1.19 %</td>
<td>health center, village health care</td>
</tr>
<tr>
<td>TOTAL</td>
<td>488.7</td>
<td>100 %</td>
<td></td>
</tr>
</tbody>
</table>
Figure 1: Land Use in the Doi Tung Area: 1989 and 2000 (in rai²)

Figure 2: Income by Major Sources, Doi Tung Development Project, 1988-1999

² 6.25 rai = 1 ha.
Another 292 peoples worked for government offices or private companies in the project area, 422 worked mainly on their own agricultural production, and 299 depended mostly on their own commercial or retail trade. Slightly over 2,000 worked outside the project area. The remaining residents were students (1,475), preschool children (1,261), and people who stayed at home, the elderly, disabled, etc. (3,289). Of the working population (4,352 people), slightly over half (2,239) work in the project area, nearly all of whom depend directly or indirectly on project activities for their livelihood.

Per capita income has increased nearly 6-fold since the start of the project, from 3,772 Baht per person in 1988 to 22,445 Baht per person in 1999. The project aims to increase per capita income to about 30,000 Baht by the end of 2002, to bring the income of the people of the Doi Tung Development Project to the average level of others in Chiang Rai Province.

5. Doi Tung Products: Value Added Production

Whether it be high-value agriculture, economic forests, flower production, or cottage industries, a fundamental policy of the Doi Tung Development Project has been to emphasize the introduction of value-added production. Crop substitution at Doi Tung has not been just crop replacement, but the introduction of several crops that require additional processing or handling that can also be centered at the project. Thus we have coffee trees and production of coffee beans, together with coffee roasting, packaging, and marketing at Doi Tung. We have macadamia trees and

<table>
<thead>
<tr>
<th>Government Offices</th>
<th>Handicrafts/Cottage Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highland Ag. Dev. Center</td>
<td>Rug Making Training Center</td>
</tr>
<tr>
<td>Orchard Research Center</td>
<td>Cloth Dyeing</td>
</tr>
<tr>
<td>Accelerated Rural Development</td>
<td>Weaving Training Center</td>
</tr>
<tr>
<td>Road Construction Projects</td>
<td>Sewing Training Center</td>
</tr>
<tr>
<td>Road Maintenance</td>
<td>Sa Paper Training Center</td>
</tr>
<tr>
<td>Forest Animal Breeding Center</td>
<td>Handicrafts Training Center</td>
</tr>
<tr>
<td>Fisheries Promotion Center</td>
<td>Coffee Roasting Training Cen.</td>
</tr>
<tr>
<td>Forest Prevention Center</td>
<td>Bag Making Center</td>
</tr>
<tr>
<td>Irrigation Center, Doi Tung</td>
<td>Ceramic Training Center</td>
</tr>
<tr>
<td></td>
<td>Vetiver Pot Making</td>
</tr>
<tr>
<td></td>
<td>Pa Klui Tissue Culture Center</td>
</tr>
<tr>
<td></td>
<td>Huai Nam Khun Tissue Culture Center</td>
</tr>
<tr>
<td>Economic Forests</td>
<td>Tourism Support</td>
</tr>
<tr>
<td>Navuti Company (coffee, macadamia)</td>
<td>Royal Villa Gardens</td>
</tr>
<tr>
<td>Navutayayu Company</td>
<td>Mae Fah Luang Garden</td>
</tr>
<tr>
<td>Coffee Develop. Proj., Nestle</td>
<td>Mae Fah Luang Arboretum</td>
</tr>
<tr>
<td>Vetiver Dev. Center</td>
<td>Housekeeping Section</td>
</tr>
<tr>
<td>4,000 Rai Econ. Forest Project</td>
<td>Kitchen Staff Section</td>
</tr>
<tr>
<td>Afforestation Project, HRH 99 birthday</td>
<td></td>
</tr>
<tr>
<td>Agricultural Development</td>
<td>Project Support</td>
</tr>
<tr>
<td>Pesticide-Free Veg. Production</td>
<td>Administration</td>
</tr>
<tr>
<td>Veg. Research and Develop.</td>
<td>Repair/ Mechanics Section</td>
</tr>
<tr>
<td>Mushroom Production</td>
<td>Social Welfare Support Section</td>
</tr>
<tr>
<td>Nursery Work</td>
<td></td>
</tr>
<tr>
<td>Cut and Potted Flower Center</td>
<td></td>
</tr>
<tr>
<td>Cut Rose Production</td>
<td></td>
</tr>
<tr>
<td>Highland Orchids</td>
<td></td>
</tr>
<tr>
<td>Production of Rare Trees</td>
<td></td>
</tr>
</tbody>
</table>
production of macadamia nuts, together with macadamia processing, flavoring, other macadamia products (cookies), and marketing. We have flower and orchid growing, packaging and shipping, nursery support, tissue culture support, marketing, and even provide a major “consumer” of the flowering plants - the gardens of Doi Tung itself.

The handicrafts and cottage industries at Doi Tung came out of the same policy. Some of the first cottage industries were a direct result of the reforestation policy: the Sa Paper production was established to support a renewable forest resource (the Sa mulberry trees), as the more one prunes the trees to use its bark, it grows back in profusion. Tissue culture centers were established to help provide stock of vetiver grass and other plants used in erosion control and reforestation. Banana plants and fruit trees were also part of the tissue culture program.

One of the largest cottage industries - the weaving and sewing training centers - were established to build upon existing traditional handicrafts of the project area residents. All the ethnic minority groups in Thailand have distinctive clothing and long traditions in weaving. New cloth and clothing designs have been developed, many incorporating traditional patterns, to broaden the market for the goods. New products have been introduced, such as placemats and rugs. Some innovative designs have been made, incorporating natural materials from the project, such as vetiver grass and reed. Packaging, shipping, and marketing of these cottage industries - at Mae Fah Luang shops in Doi Tung, at the Chiang Rai airport, and in Bangkok, as well as to other outlets - are all components of the project.

The latest cottage industry at Doi Tung, the ceramic training center, also has links to the agricultural and forest components of the project. The macadamia husks, which would otherwise be a waste product, are used as fuel for the ovens. Dyes are produced from the macadamia husks and from the outer portion of coffee beans, which would also otherwise be a waste product. Vetiver grass ashes are also used to color glazes for ceramic wares.

Table 2 shows the financial contribution in recent years of the cottage industries and their related activities to the project.

Table 2: Gross Earnings from Cottage Industries and Related Activities, Doi Tung Development Project, 1996, 1998, and 2000 (in baht)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mae Fah Luang Shops</td>
<td>7,675,542.99</td>
<td>13,394,825.50</td>
<td>10,908,319.39</td>
</tr>
<tr>
<td>Cafeteria, Snack Shops</td>
<td>9,201,591.30</td>
<td>14,730,427.52</td>
<td>17,954,270.65</td>
</tr>
<tr>
<td>Coffee Corner</td>
<td>2,184,103.50</td>
<td>2,498,823.76</td>
<td></td>
</tr>
<tr>
<td>Rug Center</td>
<td>8,340,588.49</td>
<td>6,843,324.83</td>
<td>3,048,585.82</td>
</tr>
<tr>
<td>Weaving Center</td>
<td>6,004,107.03</td>
<td>9,415,190.85</td>
<td>21,608,152.99</td>
</tr>
<tr>
<td>Sewing Center</td>
<td>4,205,716.05</td>
<td>5,253,759.16</td>
<td>16,250,246.29</td>
</tr>
<tr>
<td>Sa Paper Center</td>
<td>1,995,471.97</td>
<td>1,124,187.52</td>
<td>2,340,800.36</td>
</tr>
<tr>
<td>Silk Screen</td>
<td>371,121.00</td>
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<td>521,875.65</td>
</tr>
<tr>
<td>Bag Making</td>
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<td>199,380.33</td>
<td>404,203.00</td>
</tr>
<tr>
<td>Water Bottling</td>
<td>120,270.00</td>
<td>825,654.00</td>
<td></td>
</tr>
<tr>
<td>Coffee Processing</td>
<td>7,678,609.64</td>
<td>7,691,747.89</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>37,832,138.83</strong></td>
<td><strong>61,616,898.52</strong></td>
<td><strong>84,052,679.80</strong></td>
</tr>
</tbody>
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Training has been provided to improve people’s weaving and sewing skills, bringing them to international standards. New cloth and clothing designs have been developed, many incorporating traditional patterns, to broaden the market for the goods. New products have been introduced, such as placemats and rugs. Some innovative designs have been made, incorporating natural materials from the project, such as vetiver grass and reed. Packaging, shipping, and marketing of these cottage industries - at Mae Fah Luang shops in Doi Tung, at the Chiang Rai airport, and in Bangkok, as well as to other outlets - are all components of the project.

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<td><strong>84,052,679.80</strong></td>
</tr>
</tbody>
</table>

6. Marketing Doi Tung: Tourism Development

Doi Tung is perhaps best known as an important tour-

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3 In fact, the Mae Fah Luang Foundation was first established thirty years ago by Her Royal Highness the Princess Mother as the Hill Tribes Crafts Marketing Foundation, to promote the sale of traditional hill tribe handicrafts as a means to improve the incomes of some of the poorest of the country’s residents in the northern hills. Once these goods became widespread and readily available through regular market channels, Her Royal Highness the Princess Mother changed the focus of the foundation to other social and economic development work.
ist destination in Chiang Rai. Although the neighboring province of Chiang Mai remains the most popular tourist destination in northern Thailand, Chiang Rai is a fast-growing second. A part of the attraction of Chiang Rai, certainly for Thai tourists, is to visit the gardens and the Royal Villa, and to enjoy the lush mountain scenery of Doi Tung.

Her Royal Highness the Princess Mother initiated the Mae Fah Luang Garden to give Thais who have no opportunity to travel overseas a place to enjoy temperate flowers. The formal flower garden thus became an important attraction after it opened in 1994. Two recent additions have more than doubled the area of the Mae Fah Luang Garden.

In 1998, the Royal Villa was opened to limited public viewing, so visitors could see the beauty of the building and its surroundings as well as the simplicity of Her Royal Highness’ lifestyle. It is important to note that the Royal Villa incorporated Her Royal Highness’ beliefs on the environment and culture. No trees were cut down for this building, as the teak used for the floors came from donated confiscated timber, and the pine wood for the walls came from old shipping crates left at the Bangkok dockyards. While the design of the building has elements of a Swiss chalet, it is predominantly northern Thai with decorations and carvings by skilled villagers and artisans of the northern provinces.

The same year also saw the opening of another tourist site, the Mae Fah Luang Arboretum, where thousands of rhododendron and azalea from throughout the world have been planted. Both Myanmar and China have been instrumental in providing rhododendron for this site in great numbers.

Until recently, the project policy was that tourism should be predominantly day visits. Hotel and restaurant facilities should be developed by private enterprises outside the project area. This to was limit the adverse impacts of tourism development in Doi Tung until the project was ready to expand its facilities and Doi Tung staff (especially local residents) had sufficient skills to handle a larger tourist turnover. In 1998, a three-story building was opened for overnight stays.4

The number of paying tourists to sites at Doi Tung (those who pay to enter the Royal Villa, the Mae Fah Luang Garden, or the Arboretum) is presented in table 3. Even with heightened security risks along the border since February, the first six months of this year have seen 55,471 more paying tourists than the same period last year.

Table 3: Number of Tourists Paying to Visit Sites at Doi Tung, by month, 2000 and 2001 (to June)

<table>
<thead>
<tr>
<th>Month</th>
<th>2000</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>76,251</td>
<td>132,580</td>
</tr>
<tr>
<td>February</td>
<td>44,599</td>
<td>53,124</td>
</tr>
<tr>
<td>March</td>
<td>22,080</td>
<td>28,926</td>
</tr>
<tr>
<td>April</td>
<td>66,505</td>
<td>66,660</td>
</tr>
<tr>
<td>May</td>
<td>31,616</td>
<td>23,178</td>
</tr>
<tr>
<td>June</td>
<td>16,394</td>
<td>23,178</td>
</tr>
<tr>
<td>July</td>
<td>21,230</td>
<td></td>
</tr>
<tr>
<td>August</td>
<td>22,704</td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>16,970</td>
<td></td>
</tr>
<tr>
<td>October</td>
<td>65,736</td>
<td></td>
</tr>
<tr>
<td>November</td>
<td>62,929</td>
<td></td>
</tr>
<tr>
<td>December</td>
<td>60,865</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>507,879</td>
<td>328,186</td>
</tr>
</tbody>
</table>

Income generated from several tourism-related activities is presented in Table 4. Note, however, that some of the tourism-related activities, such as income of the cafeteria, snack bars, and coffee corner, are included in Table 2 - cottage industries and related activities - presented in the previous section. Nor does this include two other sources of income for Doi Tung residents that come from tourism: flower production for the gardens and private sales. The Mae Fah Luang Garden and the gardens around the Royal Villa require a constant supply of flowering plants. Production of many of these plants is now being contracted out to Doi Tung residents who had earlier been wageworkers in the project nurseries. Those who visit

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4 This building was originally designed house part of the retinue of Her Royal Highness. After her passing, the number of external staff at Doi Tung (people not from the project area) was reduced to those administering various project activities. The number of government officials resident at Doi Tung has also decreased as direct government involvement ends. Thus, a large portion of what was to have been staff housing became available for tourism.
Table 4: Gross Earnings from Tourism and Related Activities, Doi Tung Development Project, 1996, 1998, and 2000 (in baht)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mae Fah Luang Garden</td>
<td>6,342,410.00</td>
<td>23,757,444.00</td>
<td>22,303,680.00</td>
</tr>
<tr>
<td>Mae Fah Luang Arboretum</td>
<td>205,380.00</td>
<td>793,819.00</td>
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</tr>
<tr>
<td>Royal Villa</td>
<td>10,598,150.00</td>
<td>14,787,845.00</td>
<td></td>
</tr>
<tr>
<td>Pictures of HRH</td>
<td>553,592.00</td>
<td>799,010.00</td>
<td></td>
</tr>
<tr>
<td>Restrooms</td>
<td>338,408.00</td>
<td>237,804.00</td>
<td>646,980.00</td>
</tr>
<tr>
<td>Accommodations</td>
<td>3,198,898.00</td>
<td>10,114,286.74</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,680,818.00</strong></td>
<td><strong>38,551,268.00</strong></td>
<td><strong>49,445,620.74</strong></td>
</tr>
</tbody>
</table>

Doi Tung will also see small souvenir stalls along the road approaching the Mae Fah Luang Garden and the Royal Villa, and between the Villa and the Mae Fah Luang Arboretum. Project residents operate these privately.

A further development in tourism will start in a few months with the first overnight village visits. The project is supporting the development of village-level lodging, to be operated by Doi Tung residents who have worked in the tourism sector of the project. The bungalows will be built according to the traditional design of the ethnic group in each village (Akha, Lahu, Shan, and Chinese), the lodging will be simple but clean, with facilities of an acceptable international hygienic standard. The number of guests will still be limited, to assure tourism will not have serious detrimental affects on the environment or on the local culture and society. At the same time, earnings from tourism will go more directly to the Doi Tung residents themselves.

7. Impact on Illicit Crop Eradication and Community Development

Doi Tung can claim success in eradicating opium production within the project area. Two main opium producing sites are now the sites of the Mae Fah Luang Arboretum and the Mae Fah Luang Garden. This success, though, came not from replacing one land use with another, but by providing people with viable alternatives to opium growing or the other harmful activities they previously relied upon.

The project has even had an impact on opium production in neighboring areas, even across the border. With the improved infrastructure in the project area, many people in neighboring border areas now grow fruit (strawberries) and vegetables (cabbage) that are purchased by Thai merchants.

The initial effect of the project on narcotic consumption was mixed. Though opium production ceased, addicts still needed their drugs. The sudden rise in income in the first years also led some to spend their money on narcotics. The number of addicts actually began to rise in the early 1990. A drug rehabilitation program was set up, and all project area addicts required to enter. This one-time effort lasted 1,000 days, to build the self-esteem and provide new work skills to the recovered participants. Most were taught skills in handicraft production and high-value (fruit and vegetable) agriculture. Current drug-rehabilitation efforts are the direct responsibility of the villages, with support from local medical staff. They now find that methamphetamine abuse is more prevalent than other types of illicit drug consumption, since Doi Tung lies close to methamphetamine production sites and major trafficking routes.

The impact on community development has also been immense. Although agriculture and forest-based activities remain the main project-related sources of income (including wage labor from economic forests, flower production, etc.), cottage industries and tourism alone helped bring about 120 million Baht into the Doi Tung Development Project in 2000, or an average of about 12,000 Baht per person per year in the project area. For some of Doi Tung’s 26 villages - those near the cottage industry training center and near the main tourist attractions - these activities are important sources of income that have helped improve people’s standard of living.
8. Summary of Good Practices Learned from Project and Recommendations for Other Alternative Development Initiatives

Two important aspects of leadership and administration helped contribute to the achievements of the Doi Tung Development Project. First, the project had a dedicated leader, Her Royal Highness the Princess Mother, who provided the vision and commitment to this complex effort, as well as the inspiration to a core of comparably dedicated staff. Second, the project is coordinated by a neutral organization (the Mae Fah Luang Foundation) with a long-term commitment to the project. This has helped assure the continued assistance of a large number of government, non-government organizations, and private enterprises, by assuring all have a role in planning, implementing, and gaining credit for their work in the project.

What can we learn from the experience of non-agricultural development at Doi Tung? The main lesson is that a mix of activities needs to be used to address the interconnected problems of environmental degradation, poverty, opium production, and other harmful activities. Non-agricultural activities can play a key role in helping people earn viable incomes that allow them to improve their standards of living, without having to depend on illegal narcotic production, trafficking, or prostitution.

Non-agricultural activities that are based on agriculture or sustainable use of forests provide the best opportunities, since they depend on materials that are locally available and that can help promote better forest and land management. Value-added production can provide greater financial returns, with several stages of production, processing, and even marketing providing income to the project and its beneficiaries. It can also provide the most opportunities for people with different types of skills. Those who are better at farming can grow the fruit, vegetables, flowers, and tend the coffee and macadamia trees. Those with skills in various kinds of handicrafts and manufacturing, or in tissue culture or ceramics, can find work doing these tasks. And those who prefer trade or tourism services can find opportunities in these endeavors.

The Doi Tung Development Project is constantly evolving. From a heavily subsidized project in its early stages, it plans to be fully self-supporting by 2002. The next 15 years should see a gradual shift from a project that is still administered by people from outside the project area, to one that is under the direct control of the people of Doi Tung. It is important that this project be able to change to meet new conditions, as the people of the project area gain the experience and skills that will enable them to control fully their own destinies.
Royal Project Foundation

Overview

The year 1969 marked the establishment of the Royal Project in the North of Thailand as originated from His Majesty the King’s private study. Under the directorship of H.S.H. Prince Bhisatej Rajani, this Royal Project has pursued its mission in collaboration with the Royal Thai Government, foreign governments, universities, public and private agencies and volunteers.

During the past decades, the Royal Project has successfully fulfilled His Majesty’s wish by placing emphasis mainly on research and development which lead to the proper cultivation of highland crops for opium substitution. The hill tribe’s consciousness on the conservation of forests and watersheds has been motivated and better standard of living in the project areas has been conceived. In March 1992, The Royal Project Foundation rendered public services with effective management system and permanent budget allocation. His Majesty the King Himself holds the position of Honorary President of the Foundation.

The Royal Project Foundation, as it now becomes, has responded to His Majesty’s initiative to help the hill tribes to help themselves in growing useful crops which enable them to have a better standard of living.

Objectives

1. To help the hill tribes for humanitarianism.
2. To help the nation by reducing the destruction of natural resources in terms of forests and watersheds.
3. To stop opium cultivation.
4. To conserve soil and make proper use of land, that is to avoid the encroachment of cultivate fields upon forest areas.
5. To produce cash crops for the benefit of the Thai economy.

Operation

The Royal Project, under the directorship of H.S.H. Prince Bhisatej Rajani, was intended as a seminal project which would help fund - from His Majesty The King's own private funds - much needed highland agricultural research, development and experimentation work, prior to and parallel with the intensive efforts of state agencies to build up their capability in these newly recognized areas of national concern. The Royal Project activities would, it was planned, be flexible and responsive to developing situations, would operate under a minimum of rules and regulations, and would thus be in a good position to assist the various government works.

In the early stage of establishment, the Royal Project placed emphasis on the projects of His Majesty’s private study which thoroughly specified His determination, vision, objectives and the expecting results as stated in the Royal address on January 10, 1974:

“Help for the hill tribes and the Hill Tribes Development Project has given direct benefits to the hill tribes by helping them to grow useful crops...”

Presented by Dr. Santhad Rojanasoonthon, Director of Research, Royal Project Foundation
crops and enabling them to have a better standard of living. One of the reasons underlying the creation of the project was humanitarianism; the desire that these people living in remote areas should have education and become self-supporting and more prosperous. Another reason, and which has received support from all sides, was to solve the problem of heroine. If we are able to help the hill tribes to grow useful crops, they will stop growing opium, and the implementation of the policy to prevent opium-smoking and opium-trading will be successful. A further reason which is very important is that, as is well known, the hill tribes are people who use agricultural methods which, if left unchecked, could bring the country to ruin. In other words they cut down trees and practice slash-and-burn methods which are totally wrong. If we help them it is tantamount to helping the country in general to have a better standard of living and security. If we can implement these projects successfully and ensure that the hill tribes stay in one place, have a reasonable standard of living and help in the conservation of forests and soil, then the benefits occurring there from will be significant and long-lasting..."

Research and development were priorities for the project’s first decade. When meaningful extension work began to be carried out, the project began gradually, but dramatically, to see significant results.

From the beginning, apart from pioneer work of volunteers, many agencies have established their works on strong foundations. These agencies include: universities, the Ministries of Agriculture and Cooperatives, of Science and Technology, the Ministry of Interior, State Owned Enterprises, the private sector, international organizations and foreign governments.

The work of the Royal Project has evolved into three major endeavors: research, development with extension and marketing.

Research: Various fields of research have been conducted at six experimental stations in the hilly area of Chiang Mai at Ang Khang, Pang Da, Mae Lod, Inthanon, Doi Pui (under directorship of Kasetsart University) and Khuwang (under directorship of the Department of Agriculture).

Categories of research:
1. fruit 2. Vegetable 3. Flower

Development with extension: Crops on cultural trial include: temperate fruits, vegetables, cut flowers (gladiolus, chrysanthemum, carnation, lily etc.), ferns, coffee, tea, shiitake mushrooms, strawberries, passion fruit guava, herbs, potatoes, legumes, cereals, dried flowers and fast growing species of forest trees.

Technology has been introduced for the minimum use of synthetic chemicals to control plant diseases and insects, for soil conservation and for seed multiplication. Livestock has been introduced: swine, sheep, ducks, chickens and bees.

Appropriate cash crop and agricultural technology derived from research have been introduced to the hill tribe people and to surrounding lowlanders, upon the realization that successful application requires equitable allotment as well as guidance.

The hill tribe people have been motivated to thrive without destroying the forests. A stable income for them is being maintained from fruit trees, other cash crops and livestock. At the same time stabilizing efforts have been made to discourage their migratory propensities.

At present the Royal Project administers 36 extension centers situated in Chiang Mai, Chiang Rai, Mae Hong Son, Lamphun and Phayao Provinces. Some 284 villages are covered comprising of 15,495 families of 94,315 people.

An intensive effort has been and is being made to develop the necessary infrastructure, e.g. village road, small irrigation systems and village electricity. Teams are working on improvement of watershed areas through proper land use management and soil conservation practices in the already slashed and burned areas.

Small scale canning plants: Three small scale canning plants have been set up in Chiang Mai and Chiang Rai to process agricultural products from hill tribe people and lowlanders in the area.
Marketing: this has become one of the most significant areas of the Royal Project’s activities. An example of this is the assembly of fresh fruits, vegetables and flowers at a central point, where they are attractively packaged and then transported in refrigerated trucks for sale to major retail outlets, supermarkets and hotels. For these contemporary packaging, transportation, and marketing services, the Royal Project charges 20% of the proceeds to cover costs. The balance of the proceeds is distributed to the hill tribes and lowland producers within fifteen days of delivery. Now, with the help of Agricultural and Cooperative Bank, most of our farmers use the services of the Bank and the project just buy their products outright. All Royal Project products are marketed under the brand name Doi Kham, which means Golden Mountain. Today, with the help of the Royal Project, the “golden mountains” face the future with renewed vigor and confidence.

The Royal Project in Thailand has been elected to receive the 1988 Ramon Magsaysay Award for International Understanding. The Royal Project is recognized for demonstration through a concerted national and international effort in northern Thailand that temperate climate cash crops offer hill tribes a viable alternative to the opium poppy.

Impacts

Overall improvement of the area under the Royal Project wing is noted throughout. Such integrated efforts can only be assessed and maintained by the Foundation in the remote highland. Replacing of illicit crop simply came at no surprise, since hill people do not receive big amount of money for this crop as expected. Networking for various kinds and efforts by a whole range of offices and units had been another success that can bring about amiable sustainable development.

It is important to note that there is a strong sense of belonging from these hill tribes who had picked up their responsibilities in looking after their cultivated and protect respective forest in the area. Such responsive action could came from their love and respect of their Royal Father, His Majesty the King, who at the outset gave them the right to use those lands which had been classified as watershed area class I, an area where nobody can live.

Strong indication is building up that with all the confidence that those villages have for the Royal Project, the improvement of their livelihood will increasingly maintain throughout. At the present time, we are putting stronger emphasis in building up more awareness in their education, livelihood, social structure as well as their health and welfare condition. These activities are necessary after our development chains, from growing plant with proper cultivation and good post harvesting together with able transportation and marketing. Awareness in improvement as well as maintaining marketable quality and quantity have been constantly reminded our hill tribal producers under our supervision. There are always requests for the Royal Project to expand our responsibility to cover more villages and more area. It is our belief, however, that we cannot expand any more area wise. But our method, based on His Majesty’s advice for procedures of implementation, those are to be able to cut all red tape and always hurriedly help them to help themselves, furthermore, also constantly maintaining our motto of doing always the thankless jobs, let other people get all the credits while we get our job done. It is also our belief that the way we perform our job is what other agencies and organization should take heed and follow. A number of Royal Project village models will be available to observe and can be exemplified for other area development. Royal Project Foundation can then proceed in doing more important immediate research to bring about more versatility in ways and means to deal with problems of the highland as a whole.

Lessons learned and suggestions

1. In order to maintain sustainable development, it is always necessary to have a more balanced approach or the so called integrated development. In the highland, 30 years experience told us that single or few conditions improvement led to bottom neck in operation. We look at the whole process of operation of this agriculture-led endeavors, i.e. harvest, post harvest, packaging, transportation, marketing. In fact any production should always have market-led connotation. Tribe people have to work in the proper area, maintaining the forest as well as the overall environmental stability. The highlanders should increasingly improve their
health, education and social structure as part of their sequential pattern of development.

2. Researchers should always look ahead for the market-led produces, assist them in the process of proper cultivation and quality produces, as well as looking forward for new and better varieties, proper both for production and for marketing.

3. These highlanders should be aware of their presence in the watershed area. Their consciousness in conservation and forest protection should be maintained just as strong as their ability to grow crops for their living. Their behavior towards better environment should be taught as a way of life more than just a rule to follow.

4. There are the emerging challenges in the highland as well as some other related areas. Drugs are now shifting from its original base of crops to more chemical based products. For the Royal Project Foundation, our King led us and his subjects to perform and behave accordingly to the legitimate type of operation and with the more sustainable development process. They can improve their lives without having illicit crops in their cycle of production and their living condition. Thus, they will be a good citizen of the country where ever and whatever they will be.
Thai-German Highland Development Program (TG-HDP) in Northern Thailand

1. Overview

In April 1979, the German Government first expressed interest in assisting the development of highland communities in Thailand, both to improve their standard of living and reduce illicit drug supply and demand. A first bilateral government agreement was concluded in 1981, which resulted in the introduction of the Thai-German Highland Development Program (TG-HDP), a project based on a broad and holistic rural development approach. Over the following 18 years (1981 - 1998), continually refined approaches and a flexible strategy were adopted in response to growing experiences and evolving political and socioeconomic conditions.

The TG-HDP was jointly executed by the Office of the Narcotics Control Board (ONCB) and the Deutsche Gesellschaft fuer Technische Zusammenarbeit (GTZ), in cooperation with more than 20 implementing agencies1 under the Ministries of Interior, Agriculture & Cooperatives, Public Health, Education, Commerce, and Labor & Social Welfare. The program was based on a partnership among highland communities, government and non-government organizations, and the private sector. Major contributions were made in terms of reduced opium poppy cultivation, increased forest cover and watershed protection, improved infrastructure, primary health care and education, and increased family income. However, the investment in human resources development (HRD) has been the most important program component during the entire period, because it is strongly believed that enhanced human and institutional capacities at all levels are the key determinants of sustainable development.

Funding from the German side, totaling about US $20.6 million, decreased gradually over time, while that of the (US $21.8 million) continually increased during the 18 year period (these figures do not include either substantial RTG investments in major infrastructure or the contributions from the communities themselves).

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1 Implementing agencies are also referred to in various project documents and the Organization Chart (Figure 3) as Responsible Implementing Agencies (RIAs).
2. Frame Conditions

Given that highland development projects (HDPs) operate in a complex socioeconomic, cultural and often politically sensitive environment, there are several institutional aspects - or frame conditions - that influence a self-sustained and equitable development process in the target areas. Such aspects relate to the following:

- Political stability in target areas
- Legal framework that permits permanent settlement in the highlands
- Political will and long-term commitment of Government and local authorities to effectively address:
  - drug abuse problems
  - poverty, esp. among indigenous communities
  - environmental degradation
  - influx of illegal immigrants
- Commitment to increasing local decision-making and empowerment
- Transparency in governmental processes, which is crucial for gaining the response of local institutions and communities.

3. Project Goal

The overall goal and specific objectives of the TG-HDP evolved over the 18 year period, reflecting the project’s commitment and ability to learn from experiences and adopt to changing conditions. During the final phase (1995-1998), drug abuse control (supply and demand reduction) and ecological aspects were particularly stressed:

“The quality of life of the highland population is improved, the drug abuse problems are reduced, and the ecological balance is maintained better.”

This goal was to be accomplished through the following specific objectives:

- Strengthening of village and Tambon (Sub-district) organizations and their participation in joint bottom-up planning, implementation and effective management of sustainable development measures;
- Improvement of subsistence, cash farming and other income generating practices, which lead to a higher family income and a further reduction in opium poppy cultivation;
- Conservation, development and efficient utilization of the natural resources in the highlands, in particular, forest, soil and water;
- A better utilization of community-oriented social services and other development activities, including infrastructure leading to improved health, education and a decline in drug addiction and related problems;
- Strengthening of district, provincial and higher level governmental and non-governmental institutions in improved and sustainable participatory planning, implementation and management of highland development projects (HDPs), especially with regard to solving drug abuse problems;
- Assistance in national policy planning and decision making, which will result in improved framework conditions for the highlands and its population;
- Enhancement of cooperation with neighboring countries in Southeast Asia that face similar problems related to narcotics, the environment and poverty among their population.

4. Guiding Principles

The TG-HDP placed a strong emphasis on integrating People, Institutions, and the Environment through six guiding principles:

1. People’s participation
2. Human resources development (HRD)
3. Integration of programs
4. Model building
5. Rolling planning/continuous monitoring and impact assessment

5. Project Areas and Phasing

Project activities were phased in both time and place, and covered three areas comprising approx. 1,500 sq. km in two provinces. They included 199 villages and more than 40,000 people from eight ethnic minority groups. The program covered Orientation, Implementation, and Follow-up Phases, firstly in
6. Organizational Structure

The organizational set-up of the TG-HDP underwent continuous adjustments to accommodate the specific needs of the project areas. A Management Unit (MU) was formed jointly with the ONCB and GTZ at the ONCB’s Northern Narcotics Control Office (NNCO) in Chiang Mai. The MU was mainly staffed by Thai and a small number of foreign professionals, who were charged with assisting in concept development, planning, training, steering, coordination and the monitoring of program measures. During its final phase (Fiscal Year 1995 - 1998), the project maintained a small Task Force in Mae Hong Son Province, with the aim to decentralize planning and decision-making further.

Staff numbers were gradually reduced in Chiang Mai, and so the MU focused its tasks on backstopping the Mae Hong Son Task Force (MTF). It strengthened planning and managerial capacities of ONCB’s regional personnel, and integrated proven concepts and practical approaches at the national policy level, as well as disseminating highland-specific knowledge beyond project and national boundaries.

The TG-HDP or its managerial support structure was never established as a separate entity. It was conceptualized under the assumption that all highland development measures would eventually be integrated into the existing administration of the RTG as well as the existing and emerging structures of village organizations. Accordingly, the MU, together with the MTF, played an innovative and facilitating role and enhanced vertical and horizontal integration, as depicted by the chart in figure 3.

Table 1: Phasing of the TG-HDP

<table>
<thead>
<tr>
<th>Area</th>
<th>OP</th>
<th>Implementation Phase</th>
<th>Follow-up Phase</th>
<th>Post-Project Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Tambon Wawi</td>
<td>OP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Nam Lang</td>
<td>OP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Huai Poo Ling</td>
<td>OP</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

OP = Orientation Phase

6. Program Strategy

From the outset, the TG-HDP pursued a multisectoral and integrated rural development concept and strategy, which

- Allowed space for diversity and flexibility, especially during the inception phase
- Offered wide-ranging options for income generation and conservation practices
- deals with drug abuse (supply & demand) problems

Tambon Wawi (Chiang Rai Province), and then in Nam Lang and Huai Poo Ling (Mae Hong Son Province). This phasing allowed the programme to learn and consolidate from its experiences of one phase to the next. In addition, the phased approach enhanced the process of applying lessons from one geographical site to the succeeding project area.

Figure 1.
- Addressed equity and gender issues
- Supported local institution building and networking at all levels
- Addressed the need for micro-finance and rural banking services
- Supported the involvement of NGOs and the private sector
- Dealt with land tenure and user right issues
- Introduced participatory input/output monitoring and ongoing impact assessment.

The TG-HDP developed particular strength in applying a demand-driven community-based approach, in which all stakeholders were given the opportunity to actively participate in the planning, management and sustainable utilization of local resources. In order to build trustworthy relationships between villagers and project/program staff, it was deemed important to strictly separate development work from law enforcement measures.

An important feature of the TG-HDP approach has been the employment of Community Development Coordinators (CDCs). They are area teams of three to five tribal and/or Thai men or women employed temporarily by the project in assisting community-based development through awareness-raising, confidence-building, priority-identification and problem-solving in the villages. In dealing directly with the target population, CDCs are able to initiate essential village activities at the inception of the program, at the time when the implementing agencies have not yet deployed sufficient field staff or introduced the necessary cooperation and working approaches between the villagers and the respective agencies. In addition, CDCs support villagers in conceiving development plans and proposing them to the authorities concerned.

8. Major Project Components

During the life of the project, the TG-HDP had been involved in initiating and implementing a wide range of measures - the following are among them:

Infrastructure - to support services and income earning activities where assistance was provided for the construction of
- feeder roads and tracks
- household water supply and sanitation
- small-scale irrigation systems
- government facilities (schools, health stations, community centers, etc.).

Community Development - to place the people at the center of the development, and promote individuals and communities to actively participate in the lead to self-reliance and "ownership" with support granted for
- formation of interest groups, with a specific focus on incorporating marginalized people
- participatory processes in the context of carrying out situation analyses, planning, decision-making and joint management tasks
- strengthening negotiation skills, conflict resolution and leadership capacities
- community-based exchange of experiences and networking.

Health Services and Education - to provide primary health care, sanitation and basic education (formal and non-formal education and vocational training), and later, the integration of indigenous knowledge and skills in some areas.

Agriculture and Natural Resource Management - to promote community-based land use planning and sustainable farming practices, thus enhancing
- permanent settlement
- demarcation between agricultural, forest and protected areas
- sustainable management of forest, water and land resources
- subsistence and cash farming activities
- reduction and eventual elimination of opium poppy cultivation
- rural finance and marketing.

Off-farm Activities - to create opportunities, especially among women and marginalized groups, for evolvement in non-agricultural income generating activities, for example handicraft, non-wood forest products (e.g. honey, mushroom production), food preservation and eco-tourism.

Human Resources Development (HRD) - a major shift from formal training (transfer of know-how) to participatory HRD (learning from and exchanging experience); recognition and incorporation
of local knowledge and skills; dissemination and acceptance of the philosophy - “human and institutional capacity building as the key determinant of sustainable development”.

9. Impact and Lessons

9.1 Opium Poppy Cultivation

Pursuant to the TG-HDP’s multisectoral rural development approach, the project has had a considerable impact on the decline of opium poppy cultivation, as shown in the following table:

<table>
<thead>
<tr>
<th>Area</th>
<th>81/82</th>
<th>89/90</th>
<th>90/91</th>
<th>91/92</th>
<th>92/93</th>
<th>93/94</th>
<th>94/95</th>
<th>95/96</th>
<th>96/97</th>
<th>97/98</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wawi</td>
<td>240</td>
<td>21</td>
<td>7</td>
<td>31</td>
<td>54</td>
<td>47</td>
<td>13</td>
<td>19</td>
<td>27</td>
<td>63</td>
</tr>
<tr>
<td>Nam Lang</td>
<td>294</td>
<td>102</td>
<td>96</td>
<td>167</td>
<td>85</td>
<td>60</td>
<td>54</td>
<td>16</td>
<td>34</td>
<td>33</td>
</tr>
<tr>
<td>Huai Poo Ling</td>
<td>N.A.</td>
<td>167</td>
<td>84</td>
<td>38</td>
<td>51</td>
<td>7</td>
<td>-</td>
<td>7</td>
<td>11</td>
<td>10</td>
</tr>
</tbody>
</table>

Note: Figures in Nam Lang refer to the project area only.

Past opium surveys in northern Thailand confirm that the most significant decline in opium poppy cultivation occurred in the 1980s, when the total opium production area fell from around 6,000 hectares in 1980 to less than 1,000 hectares in 1990.2 During that decade more than 12 major internationally donor-assisted projects were launched. The steep reduction of opium production was also reinforced by systematic eradication campaigns carried out by the Royal Thai Army and Border Patrol Police.

As shown in Table 2, the figures for opium production in the TG-HDP area followed a similar pattern. However, the production pattern over the years has raised two main questions. Firstly, why did the rapid decline of opium production take place, especially at the early time of introducing alternative development measures, and secondly, why did the annual production tend to fluctuate markedly?

Past experience suggests that the increased presence of government agencies in villages with opium planting areas initially has a considerable psychological effect on opium growers. Highland villagers in Thailand are generally aware that opium poppy cultivation is illegal and that it can lead to unwanted conflicts with officials. Most villagers have expressed a strong desire to legalize their status and improve access to social services, as well as markets for alternative cash enterprises. Therefore, the majority of villagers have shown great enthusiasm when development measures have been offered to them. Another reason why many farmers have expressed an interest in moving away from traditional opium-based shifting cultivation systems is the experience of constantly declining yields of subsistence crops, mainly upland rice and maize. Growing population pressure on land and an increased control on remaining forest areas by the Royal Forest Department (RFD) no longer permit shifting cultivation cycles of 10 and more years. In many instances, these cycles are now reduced to 2-4 years, and in some cases, continuous cropping has become common practice.

To date, opium fulfills an insurance function, as evidenced by the fact that farmers may revert to opium poppy cultivation when they lose their cash-crop production due to natural hazards, or when they are unable to market their produce. A number of commercially attractive crops (e.g. tomatoes, beans, coffee, etc.) are often relatively perishable and susceptible to pests and diseases. They rely on high inputs and efficient marketing systems. Therefore, although some crops offer income opportunities that are more attractive than opium poppy cultivation, they expose farmers to higher risks. This partly explains why the production area may fluctuate considerably from year to year.

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2 In the cropping season 1980/81, about 6,000 hectares (ha) of opium poppy was cultivated in Thailand. Over the following years the total production area declined by 50% to approx. 3,000 ha in 1988/89, and to less than 1,000 ha in 1990/91. Since then, the production area has been fluctuating between approx. 400 - 900 ha annually (Source: ONCB Opium Surveys).
9.2 Drug Demand Reduction

The nature of drug abuse among highland villagers has been subject to radical change in the past ten years. While addiction formerly involved opium smoking among the older adult population, there has been a rapidly increasing abuse of heroin, amphetamines and volatile substances among youth. At the same time, the traditional uses of opium have been decreasing gradually. This changing context of abuse had led to parallel changes in the TG-HDP's approach. For example, an externally driven focus on detoxification to community-based and school-based programs in dealing with prevention and treatment in a more holistic manner.

The main strategy of community-based drug abuse control (CB-DAC) is to focus on human resources and knowledge at the community/local level in order to (1) draw on the strengths and lessons in actual practice, (2) ensure that project actions benefit those most affected by drug abuse, and (3) ensure that approaches and activities never lose touch with field level realities and are integrated into the national plans of action. A key lesson from this approach is the project cannot decide for the community that it has a drug abuse problem and initiate corrective action on its behalf. The project has to take a facilitating role in recognizing drug abuse as a community - not an individual - problem, analyze the difficulties and causes, establish/reinforce locally responsible groups, learn from each other, take appropriate action, follow-up and evaluate.

The TG-HDP only started developing and implementing CB-DAC activities as an integral part of the overall program in 1993. However, the project successfully developed specific community and school-based concepts, which received wide recognition and have been extended to several provinces, adopted at national level and disseminated by request to neighboring countries (e.g. Lao PDR, Vietnam) in Southeast Asia.

At project level, the TG-HDP was instrumental in
- establishing informal people's organizations (POs) and prevention networks comprising 21 villages
- forming two student anti-drug networks
- establishing three drug-free villages and several others with no new addicts
- assisting other projects in northern Thailand, the Lao PDR and Vietnam on developing CB-DAC approaches.

Table 3: Number of Opium Addicts in Nam Lang and Huai Poo Ling Project Areas

<table>
<thead>
<tr>
<th>Village</th>
<th>No. of Opium Addicts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nam Lang Area</td>
<td>&gt;500</td>
</tr>
<tr>
<td>Huai Poo Ling Area</td>
<td>&lt;100</td>
</tr>
</tbody>
</table>

The declining drug abuse/addiction in project villages is shown in Table 3.

At the termination of the TG-HDP in 1998, heroin addiction and the use of Amphetamine Type Stimulants (ATS) were only emerging in the target areas, however, the future threat was clear. Although concrete figures are not available, the CB-DAC approach, then as now, was judged the most appropriate to stem the spread of heroin or ATS and its use in highland villages.

9.3 Social Services

The development of social services (esp. primary health care and education) in conjunction with basic administrative and physical infrastructure is a vital prerequisite for sustainable socioeconomic adjustments in the highlands. Access to government services, including the prospect of obtaining Thai citizenship and land use permits, is a strong motive for permanent settlement and changes in agricultural practices.

It is important to note that CB-DAC not only relates to drugs, but is a more general approach to community strengthening and empowerment, which has a positive impact on all risk behaviors and development approaches. It is a philosophy as well as a practice.
In recognition that alternative development in the hills is not just an agricultural issue, the TG-HDP facilitated the establishment of village health stations, district clinics, community centers and educational facilities (formal and non-formal) in the project areas. This approach supported the RTG’s policy of expanding “basic need” services throughout the nation. In many cases, the project provided only a few start-up funds and initial material, thus, allowing the respective government agencies time to allocate budgets and staff to continue the work.

Existing data confirm major improvements in the reduction of infectious diseases such as malaria and smallpox. The availability of fresh drinking water in most of the target villages coupled with improvements in sanitation resulted in a sharp decline of bacterial water-borne infections, including a gradually falling infant mortality rate (IMR) to about 50 per 1,000. Access to family planning services has helped to reduce the crude birth rate from around 4% in the 1970s to less than 2.5% by 1998, although it remains at about 1% higher than in the lowlands.4

Over the years, the number of primary schools has more than doubled, and three secondary schools (one in Tambon Wawi and two in Nam Lang) were built in the project areas. Student enrollment increased from as low as 25% in 1981 to more than 65% in 1996 (15 years). The availability of Thai educational services had a considerable impact in terms of improvements in general education as well as Thai language skills. These advancements are most clearly seen in the younger population, particularly those who have completed at least a few years of primary education.

However, bringing Thai education to the hills has sometimes led to an unintended belief among hill tribes that their traditional ways of life are old-fashioned and non-functional. In the rush to provide the hill people with Thai education, even the most positive tribal attributes were ignored. Thai officials recognized that by de-emphasizing indigenous or traditional knowledge, they might miss the chance to utilize aspects of conventional tribal that could contribute significantly to the community’s development. Regardless of these disadvantages, the highland population perceives access to educational services as most essential for the future success of their children.

It is important to note that schools and health centers or clinics and their services play an important role in drug abuse prevention, both on their own and in conjunction with other efforts.

9.4 Family Income

When looking at the potential of alternative enterprises to opium poppy cultivation, it is important to bear in mind that the development of cash-crop farming and other income generating activities in the highlands have benefited greatly from the rapidly expanding agro-based economy in northern Thailand. Without a striving private sector, which offers new technologies and inputs for diversified production systems as well as markets, this fast expansion of alternative highland development would not have been possible. Many farmers could double or triple their income from crop and/or cattle sales over a short period of time (3 - 5 years).5 Parallel with increased cash income, improvements in the productivity and variety of subsistence farming (rice, vegetable, fruit and small livestock) have also been achieved.

However, the generally transitional changes from a subsistence to commercial economy were taking place at a rapid pace, which in turn had the tendency to dominate and override ecological concerns and overall sustainability. For this reason, the TG-HDP focused, especially during the final five years (1994 - 1998), on promoting watershed protection in combination

4 Despite declining birth rates, the population in the project areas has grown rapidly, mainly due to in-migration. For example, in the Nam Lang project area (Pang Ma Pha District) the population increased from around 6,000 persons in 1983 to more than 15,000 in 1998, i.e. 150% in 15 years.
5 The impact of newly introduced cash crops such as green beans, taro, carrots and ginger has in several cases raised annual family cash income from as low as US $ 120 in 1990 to more than US $ 1,000 in 1998.
with integrated farming system activities, by reinforcing the application of a comprehensive ‘community-based land use planning and local watershed management (CLM)’ process.\(^6\)

Family income from non-agricultural activities or off-farm employment had been growing considerably during the 1990s. While the TG-HDP never promoted off-farm employment, it rather focused on creating greater options within the communities. They included handicraft production; food preservation for sale both inside and outside of the villages; sale of forest products, such as bamboo shoots and mushrooms; as well as village-based tourism (provision of accommodation, food and trained tour guides).

While women usually contribute more to the household economy than men do, they tend to be omitted far too often from planning and decision-making. For this reason, the TG-HDP promoted women and women’s groups to become more actively involved in the entire development process, including decision making. Hence, women participated in and benefited from the implementation of almost all project measures, most notably those related to health and education, subsistence agriculture (fruit tree, vegetable, rice and small livestock production) as well as non-agricultural enterprises. It is noteworthy that many women who were formerly engaged in the laborious task of growing and harvesting opium were particularly responsive to alternative agricultural and non-agricultural activities, which have helped to increase family income and enhance their status in the community. Furthermore, experience shows that women play a very effective role in drug abuse prevention, treatment and rehabilitation work because of their strong interest and special skills.

9.5 Human Resources Development (HRD)

Over the 18 years, the project had invested more resources into HRD than any other program component. This is reflected in the provision of a wide range of formal/informal opportunities for individuals and groups from target villages and their organizations,\(^7\) implementing agencies’ staff at field and higher levels, ONCB and TG-HDP personnel, as well as other organizations in Thailand and Asian countries (e.g. from 1995 - 1998 alone, more than 25 groups visited the TG-HDP annually). A very substantial number of personnel who benefited from HRD measures have moved to higher positions, other governmental and/or non-governmental organizations, the private sector or international organizations. In addition, an increasing number of ethnic highlanders have become government officials or acknowledged representatives of their organizations (e.g. TAO Chairperson).

In the interest of continuing HRD, the project produced a considerable amount of resource material in all major areas (e.g. concept papers, surveys, study reports, handbooks, best practices and media). Most of this has been disseminated in the region, and made available internationally through a computerized information system of the GTZ Sector Network on Rural Development in Asia: www.gtz-asia-online.org/

10. Project Costs

In view of the wide-ranging tasks pursued over a period of 18 years, the project costs have been moderate for the donor agency. As shown in the chart below, the Federal Republic of Germany contributed around US $ 20.6 million from 1981 - 1998, whereas, the RTG provided direct assistance of US $ 21.8 million over the same period. The latter figure, however, does not include the substantial RTG investments into major infrastructure development (roads, electrification, public buildings, equipment, etc). Contributions from the communities themselves, mainly in terms of special skills and labor, are also not included in the figures presented. It is also important to note that the donor contribution decreased gradually over time, while that of the RTG continually increased during the 18-year period.

\(^6\) CLM is based on a participatory development approach which involves both the local inhabitants and development agencies. As a whole, CLM attempts to contribute to an appropriate elaboration of the legal and institutional aspects of highland development related to natural resource management (NRM). It tries to strengthen the capacities of communities to manage their affairs and establish trustful relationships between villagers and government officials.

\(^7\) People’s Organizations (POs) and Tambon Administration Organizations (TAOs).
11. Critical Issues

The TG-HDP operated within the national context of an extended period of economic growth. This has resulted in greatly increased government revenues and larger budgets for services and development programs. The change in the comparatively remote highland areas has been particularly marked. Basic services, in the fields of education, health and infrastructure have increased from the negligible levels of some 18 years ago, when the project was initiated, to levels which are gradually approaching those in adjacent lowland areas. However, the dramatic economic slowdown, which started in 1997, required big cuts in government spending. To what extent these budget cuts had the effect and impact on highland development is not well known. Nevertheless, it appears that the reduction of operational funds has considerably reduced the ability of government officials to regularly interact with and support the target population.

The majority of ethnic minorities in the project areas have received Thai citizenship. Almost all highland villages now have permanent locations, and most are officially recognized by the Ministry of Interior (MOI). TG-HDP’s community-centered development approach has enhanced the capacity of many villages to effectively manage and conserve local resources for its own sustainable present and future use. The focus on HRD has also increased the responsibility of the communities to inter-face with government agencies directly.

However, despite the RTG’s policy on decentralization and the desire to improve local capabilities, the community development process is constrained by conflicting laws governing the policies of different ministries and departments. According to Royal Forest Department (RFD) regulations, many villages are situated illegally in national forest reserves, and in some cases even in wildlife sanctuaries. In the absence of formal land use rights and a legal framework (Community Forest Act) that gives community groups the opportunity to manage local forest areas, highland communities remain exposed to changing interpretations and applications of government policies.

The overall sustainability of highland development is only as strong as the national institutional framework within which all stakeholders are operating. Without a long-term and solid government commitment towards past, present and future development, the following efforts may be severely hampered:

- Permanent settlement, citizenship and land use rights
- Poverty alleviation and national integration of ethnic minorities
- Environmental protection, especially in watershed areas
- Demand-driven agricultural research that takes advantage of farmers' intimate knowledge of their environment and their traditional wisdom
- Drug abuse control, especially with regard to reducing the influx of heroin and ATS
- Control of in-migration
- Flexible planning and budget procedures
- Greater decision-making autonomy by the communities, and
- Inter-agency collaboration and coordination, coupled with mechanisms ensuring that central and local authorities are held accountable to the highland population.
TG-HDP Operational Structure

GTZ

ONCB

Departments & other RTG Agencies

TG-HDP Steering Committee

Northern Narcotics Control Office

Provincial Responsible Implementing Agencies (RIAs)

Provincial Development Committee

District RIAs

District Development Committee

Tambon Administration Organisation (TAO) & Networks

Village Committee & Networks

CHIANG MAI OFFICE

&

MAE HONG SON TASK FORCE

TARGET POPULATION

HIERARCHY LINE

COORDINATION LINE

SERVICE LINE
Sustainable Agricultural Development Project

National Development Policy

Two of the five main objectives of the 8th National Economic and Social Development Plan are directly relevant to sustainable agricultural development. They are:

- To utilise, preserve and rehabilitate the environment and natural resources in such a way that they can play a major role in economic and social development and contribute to a better quality of life for Thai people;

- To develop a stable society, strengthen family and community, support human development, improve quality of life and promote increasing community participation in national development.

Targets related to these objectives include: increase awareness of sustainable agricultural methods, and increase opportunities for their application. Specific strategies proposed encompass:

- Natural resource and environmental management, including conservation and rehabilitation of natural resources in order to promote a balance within ecosystems;

- The development of science and technology as a foundation for sustainable development and undertaking area-based and community-based development activities to promote higher productivity and better quality of life.

In the application of the National Plan, a holistic approach, emphasising cooperation and participation of agencies concerned in formulation and implementation of programmes and projects, is encouraged. An area-function-participation system is proposed and the need for various indicators to be established to measure success identified.

The Ministry of Agriculture and Cooperatives has established a number of specific plans to implement relevant aspects of the 8th National Economic and Social Development Plan. Reducing Economic Impacts on Rural People and Society is one such plan which emphasises the promotion of sustainable/alternative agricultural development for small holder farmers. The objective is for farmers to become more self sufficient and less reliant on external agricultural production inputs (such as fertilisers and agricultural chemicals).

Project Concept

The central idea of SADP is to promote and develop efficient sustainable agricultural practices through emphasis on:

- Community participation, particularly with small farm households and farmer groups;

Presented by Mr. Prasong Jantakad, Deputy Chief Technical Adviser
Coordination and cooperation with all involved organisations including government organisations (GOs), non-government organisations (NGOs), private sector, academic institutions, community and farmers groups;

- Combining the resources of all stakeholders, especially local indigenous knowledge, to improve community level agricultural productivity within a sustainable natural resource management context.

Project Objectives

The overall objective of the project is “to improve environmental conditions and reduce land degradation, provide consumer options through the availability of ‘green’ agriculture products and to improve the quality of life of small-farm households”.

The specific objective of the 2-year pilot phase is “to promote systematic and efficient implementation strategies and learning programmes for the enhancement of sustainable agricultural technology development”.

This is to be achieved through:

- Testing and piloting approaches and strategies for sustainable agriculture;
- Building up the capacity, knowledge and information on sustainable agriculture;
- Facilitating cooperation between government organisations, NGOs, private sector and farmers groups to practice sustainable agriculture.

Implementation Arrangements

SADP is a bilateral technical assistance programme with funding from Danish Cooperation for Environment and Development (DANCED). The Ministry of Agriculture and Cooperatives (MOAC) is the Executing Agency and the Department of Agriculture (DOA) serves as the formal Implementing Agency. At the regional level, the Offices of Agricultural Research and Development (OARD) located in the 8 main geographic regions of Thailand act as the coordination bodies at both regional and local levels. Collaboration with other organisations and agencies from the government, non-government, academic, private sector and community sectors is formalised at national level by a Project Steering Committee, regional level by Regional Implementing Committees and local level through Field Level Working Groups. The Project Coordination Office is located within the Department of Agriculture in Bangkok.

Review of Strategies and Approaches

The term “research and development” can be carefully synthesized and understood. In the past the term was divided into its two constituent parts. The word “research” was on the researcher side while the term “development” was used by extension agents or field workers. In most cases a package solution from the scientist was the answer: for this problem, there is a need to do the research first then use the result of this research to solve the problem later. Research was the responsibility of the researcher with the results of the research to be used by the extension agent or field worker to solve the problem.

This clearly suggests that research and development have been separately used. The researchers mainly concentrated on research topics based on their own interest whilst extension and field workers also concentrated their work to try to solve the problems of the rural people. However, a few researchers and extension workers have worked jointly on “research and development”. Actually, research and development should go along together, it should be a one-word term and not separated. When conditions are to be developed successfully, there should be “question” and “analysis” of the present situation; Why things happened like this? What are the causes? Or, in the case of a best or successful practice, questions posed may include: Why is it not expanding or spreading to other areas? Why is it not adopted by farmers? What are the causes? Have these things been tried out? Or, were there any efforts to try to solve these problems? The concept of research and development is primarily to find out the local solution or even local knowledge. If there is no local knowledge available then alternatives from outside or imported technologies need to be tried. These must be suitable with local condition in terms of economic and cultural context. During the implementation of activities, recording of data should also take place according to the research schedule. The analysis of the ensuing results must aim to improve the methodology or options. This process is sometimes referred to as action research. It can be seen that there are many stakeholders
Project Organization

DANCED (Donor)

DARUDEC Danish Consulting Company

Other Stakeholders

DTEC

Project Steering Committee

MOAC

Project Management Group
- Project Director (DOA)
- Project Manager (DOA)
- Chief Technical Advisor (DARUDEC)

DOA

Project Coordination Office

Technical Assistant Team
SADP Bank Account (DANCED Fund)

OARD Director Chairman of RIC
OARDs (1-8) Regional Implementing Committee

- Farmer group / Networks
- 2000 = 48
- 2001 = 78
(Each group / Network has OARD Coordinator)
involved in this process, such as the researcher, extension or field worker, community organisation, and others. Due to many agencies being involved, there is a need for joint planning, discussion, sharing information and ideas particularly from the community organisations. Hence, it may also be appropriate to call it a “community-based research”.

Project Approaches

The strategy supported by SADP involves the OARDs modifying their approach to research and development in a number of ways. These include:

- Working directly with other organisations, agencies and local community groups to achieve a more holistic approach to research and development. In particular, a national Project Steering Committee, Regional Implementing Committees and Field Level Working Groups have been established to plan, coordinate and implement project activities;
- Working with farmer groups and network rather than individual farmer households;
- Using a participatory approach to analyse agricultural systems to identify technology strengths and weaknesses (originating from both indigenous and introduced practices);
- Reaching local agreements on activities to strengthen sustainable agriculture, including research and demonstration plots, training, study tours, forum, marketing support, media production etc, and
- Consolidating data into an information system which can be shared nationally.

SADP refers to the process as Participatory Technology Development, based on the concept as described to introduce Low External Input Sustainable Agriculture (LEISA). This process aims to bring researchers, extension workers and farmer together to concentrate on strengthen local capacities to experiment and innovate.

The 2-year pilot phase can be considered as a learning process for the concerned project partners at national, regional and local levels. The term sustainable agriculture was understood quite differently by the many representatives encountered during the first 6 months of this project. It was anticipated that through actual implementation, a greater understanding would

Aim and Process of Participatory Technology Development (PTD)

- Gaining a joint understanding; agro-ecological system.
- Identifying priority problems and indigenous knowledge (IK).
- Experimenting locally: ID, local farmer and formal science.
- Enhancing farmers’ experimental capacities and farmer-to-farmer communication.
- Developing local capacities and organisational linkages necessary to sustain the process.

- Strengthen capabilities
  - to experiment
  - to innovate
- Encourage farmers to evaluate indigenous technologies.
- Choose, test and adapt external technologies on the basis of their own cultural system.
be generated through jointly planning, taking action and reflecting.

Working Definition of Sustainable Agriculture

The following working definition was agreed during the course of a workshop attended by OARD staff in December 1999. This definition is likely to be modified as a result of project experience.

Sustainable agricultural development involves using good practices to strengthen production systems (1) based on appropriate natural resource management to provide maximum benefit to improve living conditions, stability and self-reliance (2), without degradation of the community (3) and biophysical environment.

(1) Includes the capacity of community members
(2) Includes economic and social aspects
(3) Includes traditional, cultural and mutual caring values

7 basic steps:

1. Introduction of concept and establishment of field level working group

Organise specific training workshop with concerned stakeholders at regional level to introduce the concepts, practices and application of area analysis and Participatory Technology Development. Establishment of field level working group comprising government agencies, non-governmental organisations, private sector, Tambon Administrative Organisation (TAO), academic institutions, community organisations etc. with a common interest and willingness to work and learn together.

Terms of Reference for the Field Level Working Group

Criteria for membership

- Members of Field Level Working Group will comprise of representatives from government organizations, non-government organizations, community organizations, Tambon Administrative Organization, private sector etc. which have been approved by the Regional Implementing Committee.
- Members of Field Level Working Group are the people nominated by the farmers' group or network.
- Number of members depends on the conditions at each site.

Structure

- Field Level Working Group for each site will select their own chairman, secretary and working group members.
- OARD Project coordinator for SADP will take the role of coordinator for all sites.

Roles and Responsibilities

- Carry out area analysis activities (agro-ecological analysis) with OARD staff and involved agencies.
- Support working process at each site to strengthen capabilities of community organizations and SA farmer groups.
- Together with OARD staff and concerned Agencies develop an implementation plan and budget for each site, according to the Project Document framework and guideline as stated in Project Information Folder.
- Implement activities together with farmer groups according to the implementation plan at each site.
- Monitor and evaluate the implementation of project activities and prepare progress reports including recommendations to submit to Regional Implementing Committee.
- Support and carry out activities for dissemination of successful cases in various forms such as organizing field days, forums on SA, study tours etc.
- Support the establishment and development SA information system.

2. Agro-Ecological or Area Analysis

Community study carried out by the field level working group using various methods and tools such as agro-ecological analysis, PRA, RRA, etc. This is an important step for researchers who may need to change their working approach. They go to the community with the objective of learning together. Farmers are members of the team, rather than individuals who are being studied by "outsiders". The study aims to collect information at the community, group and household levels to allow the working group to have
an initial overview, familiarity and understanding of the situation of the community. This includes aspects of the community’s history, administrative and organisational structure, culture, ecology, farmers’ groups, community resources, land use and tenure, cropping patterns, production techniques, etc. Identification of farmer groups and their leaders who are involved in developing sustainable agriculture. Identification of indigenous practices and modern technology used at community and small farm household levels. Prioritization of key issues or problems.

3. Technology assessment for sustainability
Technology analysis to identify potential solutions to problems. In the process of participatory technology development, the community representatives are members of the working group and should be encouraged to express their opinions and propose ideas. Due to diverse cultural backgrounds, research and other, staff may have to adjust themselves to communicate effectively with farmers. Identify indigenous knowledge or best practices and technologies used by farmers and assess community level problem solving skills. Analyse alternatives for technology development and agreement on which trials and demonstrations should be conducted.

4. Design trials and demonstrations
The design of trials and demonstrations should be mainly based on farmers’ needs taking account of the suitability of the technologies for local conditions. They should be regarded as learning sites where skills and capabilities to conduct on-farm experimentation can be strengthened. Write up trial and demonstration proposals for inclusion in the community work plan. Organize training / study tour for specific topic according to need

5. Testing
The research team carries out implementation activity of the trials and demonstrations according to the work plan. Establish monitoring and evaluation procedures and tools.

6. Summary of experimental results
Analysis of the results of trial and demonstration sites should be jointly carried out by all members of the

Field level facilitation and participatory group work.

working group, including community and farmer group members.

Strengthening the skills and capabilities of community members to experiment should encourage them to test alternative technologies on their own. Extension workers can use the results for development work with other communities. Researchers have the opportunity to synthesize the results in scientific terms, and identify the channels and mechanisms for their dissemination.

7. Dissemination
The results of experiments can be documented and produced into various forms of media to transfer the experiences to other researchers, extension workers and farmers.

Experiences and lessons learned
From two years working experience of SADP, even though the period of implementation of the project is quite short, it is strongly supported by the policy level. The main experiences are:

- The participatory working approach is not new, it has been used for a long time by many agencies but in practice there are only few practitioners (particularly researchers) who really have skills to facilitate the participation process.
- The benefits of the Participatory Technology
Development approach are widely recognized by stakeholders.

- Facilitation skills are necessary for participatory working approach and learning process
- Learning process must be flexible and dynamic
- Local organisations, such as Tambon Administrative Organisation, have a potentially important role for sustainability and for dissemination of technology at field level.
- Grouping and networking is important to technology development and dissemination. Group members have better inter-relationship and an effective learning process. Groups have the potential and skills to analyse and summarise new knowledge and experiences in a dynamic way which is able to serve the needs of group members and at the same time technology can be effectively disseminated through networking.
- Group or community based approaches contribute to good attitude and relationship amongst stakeholders in terms of partnership.
- In the view of farmers, natural resource management and agricultural development should be developed simultaneously under the same umbrella as they are not separate issues.

The impact of working together through the participatory technology development process was found that farmer groups and networks are interested in developing local technology with the aim of reducing external inputs, particularly agro-chemicals. Some networks even set up very clear objectives regarding their technology development, such as:

- Reduce production costs
- Improve the quality of products
- Exchange knowledge and experiences amongst farmer groups
- Develop the quality of bio-extracts
- Conserve the environment
- Promote local indigenous knowledge
- Promote the use of local materials
- Strengthening the capabilities of community organizations
- Provide safe products for consumers

The example of some technologies which have resulted from the PTD working process are:

- Ratoon technique for paddy rice
- Bio-Extract technology
- Mushroom culture by using local material (giant mimosa)
- Chemical free vegetable production
- Agro-forestry
- Cut flower production by using organic matter
- Dry manure compost fertilizer
- Silage by using corn
- Soil improvement using organic fertilizers
- Organic vegetable production
- Organic rice production
- Dry bio-compost fertilizer
### SUMMARY OF SUSTAINABLE AGRICULTURAL DEVELOPMENT PROJECT TARGET SITES: 2001

<table>
<thead>
<tr>
<th>OARD1)</th>
<th>Site/Group</th>
<th>Network</th>
<th>Farming system</th>
<th>Province</th>
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<tbody>
<tr>
<td>1</td>
<td>8</td>
<td>Upland farming</td>
<td>Integrated farming</td>
<td>ChiangMai, ChiangRai, Phrae, Payao</td>
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<td></td>
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<td>Agro-forestry</td>
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<td>2</td>
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<td>Field crop</td>
<td>Pararubber</td>
<td></td>
</tr>
</tbody>
</table>
| **Total** | **78** | **10** | **14** | **38**

1) Offices of Agricultural Research and Development
Thailand took thirty years to reduce opium production and use. As shown in Table 1, opium production in the country has fallen to less than 10 tons in the last two years. This is far below the domestic consumption level making Thailand a net importer of the substance. The map on the following page shows that cultivation is limited to a few areas in the north, mainly on provincial boundary lines such as between Chiang Mai and Chiang Rai or Mae Hong Son and Chiang Mai.

Experiences from this country contributed significantly to the alternative development concept as adopted by the UN General Assembly in 1998. This comprised crop replacement, rural development, and demand reduction.

In the process, serious objections were made to the way this process was undertaken. Three major points made were that the opium replacement projects:

- Destroyed local cultures and were anti-tribal,
- Introduced new drug problems in the hills, and
- Degraded the environment.

These arguments have gained such strength that many observers in both the development and the academic communities believe these projects were intrinsically flawed. These assessments have been made, however, without thoroughly studying the early projects. Complicating the process is the fact that the pertinent records and documents have ended up scattered in various private and public collections or lost. To rectify the situation and to make a satisfactory review of the thirty years of opium replacement in Thailand, UNDCP engaged me to conduct such a study.

In conducting this study it soon became obvious that those involved in the projects, especially those in the 1970s, saw them in a different light than did many scholars. Almost all those who had worked on the projects, such as the first UNFDAC initiative, the Crop Replacement and Community Development Project, were enthusiastic about the resourcefulness and flexibility of the project, how they worked together with the villagers, and the progress they made. At the same time, these people would most likely have had to concede that their projects had not reduced opium cultivation or found many useful replacement crops.

To resolve this conflict, a complete review of the process was undertaken beginning with the coming of opium cash-cropping to Thailand in the late-nineteenth century. The projects began little more than a decade after opium growing had been criminalized. Even then, little enforcement work had been done in the hills due largely to a lack of government resources. Opium cultivation had become a part of the culture of the people and their economy. Opium poppy growing

Presented by Dr. Ronald D. Renard,
UNDCP Consultant
and marketing had been refined so that it flourished in the local hill conditions of northern Thailand. Links with traders in neighboring countries made this agricultural system part of an international complex with deep roots.

At the same time, the price for opium was high, buyers provided incentives and paid cash in the village. No advanced technology, handling or inputs were required. And, opium was good medicine.

Table 1: Opium Production in Thailand: 1961-1999*

<table>
<thead>
<tr>
<th>YEAR</th>
<th>AREA (ha.)</th>
<th>PRODUCTION (kg.)</th>
<th>KG/HA</th>
<th>PRICE baht/kg.</th>
<th>$US</th>
<th>GROWERS INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961/62</td>
<td>12,112</td>
<td>64,000</td>
<td>8.0</td>
<td>850</td>
<td>43</td>
<td>54,440,000</td>
</tr>
<tr>
<td>1965/66</td>
<td>17,920</td>
<td>145,600</td>
<td>8.1</td>
<td>1,500</td>
<td>71</td>
<td>72,800,000</td>
</tr>
<tr>
<td>1980/81</td>
<td>6,026</td>
<td>48,565</td>
<td>7.7</td>
<td>1,500c1</td>
<td>71</td>
<td>85,767,000</td>
</tr>
<tr>
<td>1981/82</td>
<td>5,531</td>
<td>33,527</td>
<td>6.1</td>
<td>1,750c2</td>
<td>76</td>
<td>58,672,250</td>
</tr>
<tr>
<td>1983/84</td>
<td>6,933</td>
<td>39,949</td>
<td>5.2</td>
<td>2,000c3</td>
<td>87</td>
<td>71,898,000</td>
</tr>
<tr>
<td>1984/85c4</td>
<td>8,290</td>
<td>33,560</td>
<td>4.0</td>
<td>2,500</td>
<td>109</td>
<td>86,685,000</td>
</tr>
<tr>
<td>1985/86</td>
<td>2,428</td>
<td>16,510</td>
<td>6.8</td>
<td>2,500</td>
<td>109</td>
<td>41,275,000</td>
</tr>
<tr>
<td>1986/87</td>
<td>592</td>
<td>3,848</td>
<td>6.5</td>
<td>2,750</td>
<td>120</td>
<td>10,582,000</td>
</tr>
<tr>
<td>1987/88</td>
<td>2,811</td>
<td>16,866</td>
<td>6.0</td>
<td>3,000</td>
<td>130</td>
<td>47,410,326</td>
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<tr>
<td>1988/89</td>
<td>2,982</td>
<td>29,820</td>
<td>10.0</td>
<td>3,500</td>
<td>152</td>
<td>174,881,000</td>
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<tr>
<td>1989/90</td>
<td>782</td>
<td>8,602</td>
<td>11.0</td>
<td>3,200</td>
<td>139</td>
<td>27,526,400</td>
</tr>
<tr>
<td>1990/91</td>
<td>355</td>
<td>5,680</td>
<td>16.0</td>
<td>3,400</td>
<td>136</td>
<td>19,312,000</td>
</tr>
<tr>
<td>1991/92</td>
<td>869</td>
<td>9,994</td>
<td>11.5</td>
<td>3,500</td>
<td>140</td>
<td>34,979,000</td>
</tr>
<tr>
<td>1992/93</td>
<td>999</td>
<td>14,381</td>
<td>14.4</td>
<td>7,500</td>
<td>300</td>
<td>107,857,500</td>
</tr>
<tr>
<td>1993/94</td>
<td>479</td>
<td>3,228</td>
<td>6.8</td>
<td>7,500</td>
<td>300</td>
<td>24,210,000</td>
</tr>
<tr>
<td>1994/95</td>
<td>169</td>
<td>7,113</td>
<td>13.25</td>
<td>8,000c4</td>
<td>320</td>
<td>56,904,000</td>
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<tr>
<td>1995/96</td>
<td>368</td>
<td>12,581</td>
<td>12.5</td>
<td>10,000</td>
<td>400</td>
<td>125,810,000</td>
</tr>
<tr>
<td>1996/97</td>
<td>252</td>
<td>17,016</td>
<td>11.25</td>
<td>10,000</td>
<td>400</td>
<td>170,160,000</td>
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<tr>
<td>1997/98</td>
<td>770</td>
<td>16,974</td>
<td>11.25</td>
<td>20,000</td>
<td>400</td>
<td>339,480,000</td>
</tr>
<tr>
<td>1998/99</td>
<td>702</td>
<td>7,899</td>
<td>11.25</td>
<td>20,000</td>
<td>500</td>
<td>157,980,000</td>
</tr>
<tr>
<td>1999/2000</td>
<td>330</td>
<td>3,712</td>
<td>11.25</td>
<td>20,000</td>
<td>500</td>
<td>74,240,000</td>
</tr>
</tbody>
</table>

aFigures for 1961 and 1965 from the surveys noted above. For 1980-1988, see ONCB's annual reports for Thailand; for subsequent years, see ONCB's Opium Cultivation and Eradication Reports.

bFigures based on reinterpretation of Public Welfare Department 1962 by United Nations Survey Team.

c1 Estimated figure

c2 Estimated figure

c3 Estimated figure

c4 From 1984 on, when the government began a program to eradicate opium poppy, the area is calculated by subtracting the amount destroyed from the amount cultivated. In cases where the same plot was cultivated more than once, the area is calculated to include each time a plot is cultivated. See ONCB's Opium Cultivation and Eradication Report for 2000 for figures, methodology and other details. The yield is based on the amount of opium an average hectare produced before destruction efforts. It should be noted that in 1930, the government reported poppy eradication had been carried out in the north. [Commission of Enquiry 1930 I, p. 87]

dPrice figure represent average estimates calculated by ONCB.
To bring an end to opium cultivation, many obstacles had to be overcome. In the 1960s, no officials knew the hill tribes, poppy cultivation or highland languages. Roads did not go into the hills and hill people rarely visited towns. Few hill schools existed and, among the opium growers, only a few spoke any Thai. Hardly anyone had studied opium growers. Replacement crops, the marketing infrastructure for hill goods, tested cropping systems, demand reduction modules, and hill education did not exist.

Complicating the replacement process was the fact that nationalistic Thai school curricula implied that non-Thais were aliens. As a result, to most Thai, hilltribe opium growers looked completely foreign. As mostly immigrants outside the Thai mainstream, the growers, who were mainly hill people such as Hmong, Mien (Yao), Akha, Lisu, and Lahu, lacked Thai citizenship and Thai forest law forbade them from living in the forests where they had settled.

At the international level, there were also misconceptions. Giuseppe di Gennaro, then UNFDAC’s Executive Director, describes what he learned from King Bhumibol. On 30 June 1982, he told di Gennaro that replacing opium would take thirty years. I...[pointed] out that thirty years was an unacceptable time frame. No serious planning could be so long term...so many independent variables could hinder the productivity of any investment. I tried to let His Majesty understand that if I proposed such a long time frame to my donors, they would disappear. The King listened in silence. I was sure I had changed His Majesty’s mind. But when, after the audience, I mentioned this feeling to those accompanying me, they explained that it is a Thai custom not to react in such circumstances. Silence did not mean acceptance.”

The king was right. The process took three phases (the 1970s, 1980s, and 1990s) of crop replacement, integrated rural development, and participatory work. These moved from donor-driven work to active government engagement in Phase 2 to people’s involvement in Phase 3. Once I was able to identify this process, it was then possible to reconstruct the process and structure by which opium replacement occurred.

Work began when King Bhumibol Adulyadej learned opium growers made money from multiple sources. When he learned that some Hmong in Chiang Mai Province had earned more income from a kind of indigenous peach that was used only for pickling, he concluded that there were crops that could be grown to replace opium as a cash crop. To do this, he set up the Royal Project in 1969 to help them develop the alternatives.

International activities began soon thereafter. U.S. concern over Thai opium production followed increased drug use in the West during the 1960s. U.S. officials identified Thailand as one of three producing countries in this region that came to be named the “Golden Triangle.” Coined unintentionally by a U.S. Assistant Secretary of State on 12 July 1971, the “triangle” implicitly recognized the absence of opium in China. Nixon soon visited China and a top advisor went to Chiang Mai to say the U.S. would support crop substitution. A project was quickly drafted, basically following the model of the Royal Project (with which the UN worked closely) to find alternative crops to replace the income from the 145 tons of opium harvested annually by ethnic minorities in northern Thailand.

Replacing poppy cultivation required substituting not just cash that the poppy yielded but conditions surrounding production. The government and UNFDAC were unprepared. Neither had implemented any crop replacement projects such as they were to try in Phase 1. Nevertheless, during the early years of work, considerable resourcefulness was used within the UN and in the hills to bring about an understanding with the villagers and to identify satisfactory crops and ways to grow them.

The UN Crop Replacement and Community Development Project (CRCDP), begun in 1971, set out to identify and promote alternative crops. CRCDP established experimental stations and worked with the Royal Project. At the king’s suggestion, it was agreed that no poppy would be destroyed until alternatives existed. Considerable effort was made to improve the image of Thai officials, particularly the police, in the eyes of the hill people. At the same time, the emphasis on crops diverted attention from the inadequate laws and regulations governing hill people as well as from finding ways to rehabilitate drug users.
Although the CRCDP Project Manager called for integrated community development to facilitate detecting “possible future heroin addiction,” the next project, begun in 1979, emphasized marketing. Work in other sectors was done secondarily. As a result, poppy reduction proceeded slowly.

Thai officials observing the Phase 1 projects worried. Without understanding the causes they saw problems: opium, forest destruction, and security risks by “non-Thais”. Although they sanctioned the crop replacement projects, the officials perceived that the agenda was donor-driven. The government decided to unify highland work under national five-year development plans so as to bring the highland work within its integrated development policies.

Phase 2 projects, in the 1980s, were multi-sectoral. Successes in finding high-yielding replacements were beginning to occur with the result that the government began to eradicate poppy in 1984, earlier than some such as King Bhumibol had suggested.

Some Phase 2 projects focussed on specific watersheds while others promoted new cropping systems that were meant to improve the environmental, social and economic welfare of the hilltribes. The Australian and German governments supported work to devise integrated cropping systems but also became involved in infrastructure development and health care. Environmental concerns arose as some new cropping systems evolved in ways unintended by the designers.

Although Phase 2 projects paid little attention to drug use, enforcement activities starting in 1984 reduced poppy cultivation by half or more. The result made Thailand an importer of opium.

Simultaneously, heroin use spread down trafficking routes to old opium growing sites. Because of the crops promoted in project sites, men in these villages unaware of heroin but with extra cash and ready to experiment began trying heroin. Heroin spread most quickly to villages with weak leadership, by 1994 comprising 150 villages and 5,000-6,000 people.

A question is whether reducing the opium supply so quickly contributed to heroin use as it has in some other countries. While reducing opium was a factor, more important was that Phase 2 projects were not intrinsically participatory, did little demand reduction work, and were not true alternative development. This issue was addressed at an International Conference on Drug Abuse in 1987. Its Declaration mandated “universal action to combat the drug problem in all its forms.” The increased importance given to demand reduction was accepted in Thailand where control efforts remained ineffective.

Similarly, Thai policies grew more participatory. National highland planning called for more equitable distribution of income, and developing human resources. The Eighth Plan (1997-2001), drafted with an NGO umbrella organization, stresses people’s participation, civil society, and the increased role of local government. A new “People’s Constitution” coming into effect in 1997, granted more authority and autonomy to the people.

Phase 3 projects promoted demand reduction and people’s participation. UN and bilateral projects devised community-based drug control initiatives that were more effective than old institution-based models. Royally-sponsored alternative income work continues with the Royal Project in 300 villages in five provinces. Four research stations, 35 development centers, and a marketing component using the trade name, Doi Kham (Golden Mountain) support the work. Another Royal initiative was established by The Princess Mother on Doi Tung, a tall mountain in Chiang Rai. Here alternative occupations are promoted, various crops grown plantation style, and drug use has been stopped.

The Thai government took over more hill work in the 1980s and 1990s. It built roads, supported agriculture, and constructed schools and clinics. The government funded Tambon Area Councils, electrification and communication projects. The total investment is increasingly steady. Many NGOs work in the hills, carrying out development, education, relief and other activities.

Empowering local communities became a government and development agency priority in the late-1980s. Although bottom-up planning had existed in royal work, it was only after many experiences such as seeing increased heroin use did granting local autonomy become government policy.
A participatory model devised by the Thai-German project in the 1990s comprises: 1) supporting a community in studying its strengths and weaknesses, 2) setting up groups with good leaders to overcome weaknesses, and 3) doing group work to strengthen group process and networking. In this, if villagers do not agree that drugs are a village problem the drug problem will not be solved.

There have been critiques that the development process in Thailand suppressed local culture and only served to move opium cultivation to neighboring countries. But in-depth evaluations have noted forces larger than the development process. Regardless of international donors and the opium in the hills, eventually the vibrant Thai economy and population would have moved into the hills. Development would have entered the highlands guided mostly by the profit motive, the forces of globalization, and laissez-faire, presumably with harsher consequences on the hill people.

By the 1990s, when the development paradigm had become participatory, chances for villagers to practice their culture had risen. Indigenous handicraft production has grown. Local leadership has new authority to promote local culture. Educated hill people are entering Thai life.

Besides these impacts in the hills and the people there, highland development also affected national policy. This included 1) facilitating forest use and making progress towards passing the Community Forest Act was made, 2) providing citizenship for most of the hill people in Thailand, 3) planning for highland development, such as by encouraging hill area masterplans, and 4) providing infrastructure, such as roads. This final point did not change national policy but hastened implementation.

Several factors contributed to the sustainability of work in Thailand. They include: 1) build awareness among the people, by which a flow of information is maintained between the villagers and the outside, 2) evoke interest among the people, such as by the Royal Project's trade name, Doi Kham, 3) leave time for evaluation as well as conduct trials to create self reliance, and 4) maintain a presence in the area. King Bhumibol suggested that replacing opium would take time. The Royal Project is still active. Although long timeframes might seem infeasible, Thai-German-HDP lasted eighteen years. Its participatory, community based approach was fully developed in its last years.

CONCLUSIONS

Thailand’s peaceful reduction of opium production through a balance of development, demand reduction, and law enforcement is unique. But the contributing factors were not unique; they can be replicated. The model devised in the process, which can be considered a successful result of the process, (see diagram on following page) can control new and existing drug use. The UNDCP Regional Centre in Bangkok has identified several factors regarding the Thai experience:

- **Visionary Leadership**, by which King Bhumibol promoted environmentally friendly, participatory projects before the development community “devised” them. The king’s influence over government agencies encouraged them to assist the poppy growers.

- **National Unity & Political Will** through a structurally unified Thai state with shared values, cultural oneness, and a willingness to accept government policies such as eradicating opium. When difficulties arose in the 1980s and 1990s, the goal was not forgotten.

- **Commitment of Ample Resources**. Besides receiving funds from international donors, the government and local NGOs allocated even more for developing the hills. The total investment in opium replacement by all stakeholders approaches one billion U.S. dollars.

- **Participation of the People**. Although the people worked willingly with the royal and other efforts to replace opium, only in Phase 3 did the projects become genuinely participatory. As villages grow more participatory and the people join more in local initiatives, their resilience will grow increasing their resistance to drug use.
Processes of Community-Based Drug Abuse Control (CB-DAC)

1. Research

- Community level
  - Village history
  - Natural resources
  - Man-made resources
  - Group/organizations
  - Leaders/experts
- Family level
  - Activity schedule
  - Family structure
  - Labor calendar
- Drug situation
  - Type of addictive
  - Treatment
  - Rehabilitation
  - Recommendations
  - Attitudes

- Analysis of potential limitations
- Development of strategies for drug abuse control
- Feedback of data to villagers and selection of community development strategies.

2. Establishment and development of groups

- Group processes
  - Group preparation
  - Learning group
  - Activity group
- Reinforcement of working group
  - Awareness
  - Management
  - Technology
- Analysis of potential limitations, & problems
- Methods of working with target groups
- Capital
  - Motivation of new group

3. Development of leaders

- Group reinforcement through leadership development
- Motivation of networks for drug abuse control
- Summarization, evaluation and preparation of CB-DAC concepts/ideas
1. Present situation of drug criminals and drug abuse in Vietnam

In the last three years, drug trafficking and drug abuse trends in the world and in Southeast Asia have fluctuated in very diverse ways. Taking advantage of the geographic location of Vietnam, e.g. proximity to the “Gold Triangle” and “Gold Crescent” (the main opium producer and supplier of the world), Vietnam’s long and mountainous control-difficult border, many drug trafficking gangs tend to intensify drugs trafficking to Vietnam using all three available ways: the land border, the sea, and the air. The struggle against drug criminals and drug abuse is very hard. The drug criminals use all possible means to fight back, including using arms, when being chased or arrested.

The number of drug addicts remains high, mostly adolescent and teenage. One hundred thousand drug addicts were recorded, filed and controlled. Among 28,000 people infected with HIV, 70% were due to drug injection. The majority of drug addicts have pre-criminal records. At present, amphetamine, methamphetamine and other synthetic drugs have been illegally introduced to Vietnam. In 2000, these drugs were found and seized in 40 provinces and cities. Hanoi and Ho Chi Minh City remain the biggest places of drug trafficking, drug abuse and criminals (51.06% of cases and 56.4% of drug convicts have been found in recent time). Drug criminal and drug abuse became a real worry of every family, especially those who have young children under 18, and a real threat to sustainable development of our country and our nation.

2. Results of drug control activities in 1998-2000

On July 31, 1998, the Prime Minister issued the Decision 139/1998/Q§ - TTg approving the Action Plan for Drug Control Program in the period 1998-2000. Our Government has also strengthened the drug control systems, established a “National Committee for AIDS, Drug and Prostitute Control”, now Standing Office for Drug Control (SODC), networking to grass-root levels. In 2000, the National Assembly approved the Drug Control Law that creates a legislation corridor for the drug control program. Related branches like police, security, inspection and court have also promulgated different documents guiding drug control activities.

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Vietnam Agricultural Science Institute
Participating in such a nation wide program are all branches, ministries, mass organizations such as: National Farther land Front, Woman Union, Youth Union, Trade Union, universities, schools, Pupil Fathers’ Union, Veteran Association, Labor Union, etc.

The popular slogan is “All people to unite to build a peaceful life in their living quarter”. Drug is controlled everywhere (at home, in school and in communities). To the end of 2000, in the whole country, there were 5592/10257 (53%) living quarters registering to be drug-free (increased by 16% compared to 1999). The following are the main measures:

Information, communication and education

The Ministry of Culture and Information, Ministry of Public Security have continuously cooperated with other branches, ministries and localities, public media offices to carry out drug control campaigns mobilizing masses to take part. During the three last years, 183,582,417 people have been propagandized and trained in drug control practices; 685,570 programs circulars, news, articles on drug control were published or broadcasted on radio and television.

The remarkable feature is that these activities were targeted to localities where the illicit crops used to be grown, to drug abuse places and to high risk groups. Education and propaganda playing crucial role in drug prevention is carried out as the compulsory and permanent duty of all organizations.

Organization of struggle against drug

During 1998-2000, the Ministry of Public Security had cooperated with the Ministry of Defense, the General Department of Customs to concentrate the drug control activities to 3 continental borderlines and 4 hot localities Hanoi, HCM City, Lai Chau and Nghe An provinces. Surveys, inspection activities were regularly conducted to detect drug trafficking lines, drug criminal groups. A number of drug spots were eradicated. (30,366 cases were found, 60,735 drug convicts were arrested. This was 2.3 and 2.4 times higher than 1997 in the number of cases and convicts, respectively). Seized were 163.69 kg of heroin, 1,862.35 kg of opium, 2,990 kg of cannabis, 228,000 doses, packets, 295,060 ampoules of addict able western medicines, 1,025 flasks, 23 025 pills of synthetic drugs and the VND 30 billion worth properties originated from drug trafficking. Only in the year 2000 were 10,300 cases revealed and 19,500 drug offenders were arrested.

Along the Vietnam-Laos border, Lai Chau, Nghe An, Ha Tinh and Thanh Hoa provinces are the hottest spots of drug trafficking (mainly opium, heroin and synthetic methamphetamine). The Vietnam-Cambodia border is characterized by trafficking of mainly cannabis, heroin, methamphetamine to HCM City through Tay Ninh, An Giang, Dong Thap, Long An and Kien Giang provinces. In 2000, the number of revealed cases was 236 and 632 convicts were arrested (increased by 21.3 and 16.6% respectively).

The strict, just and appropriate judgment by courts has brought into play the influence of education and warning. During the last three years, the People’s Institute of Prosecution had handled in law courts 27,704 cases, 33,888 convicts prosecuting 19,923 cases and 28,748 convicts. The People’s Courts at different levels had judged 15,000 drug cases, more than 25,000 defendants sentencing 153 dead penalties, 177 life imprisonment’s, 3,000 imprisonment’s from 10 to 20 years.

Organization of reeducation and training for giving up opium smoking, prevention and protection against drug abuse in schools.

At the beginning of 2001, 101,036 drugs addicts were recorded and filed (4% decrease compared to 2000), including 10,838 drug addicts being controlled and re-educated for giving up smoking opium in 53 different rehabilitation camps managed by the Ministry of Public Security. The number of children addicted to drugs in 2000 was 1,533 (considerably decreased...
compared to 2,900 in 1997 and 2,221 in 1999). In 2000, 29 provinces and cities like Cao Bang, Ha Giang, Tuyen Quang, Yen Bai, Lang Son could stop the increase in the number of drug addict but in the rest 32 provinces and cities, this number still continues to increase.

During 3 years, Vietnam had re-educated 76,822 people times for giving up drug use, increased by 64% compared to 1995-1997; 8,598 people were vocationally trained and provided with jobs.

The Ministry of Labor War Invalids and Social Affairs, the Ministry of Public Security used many drastic and strong measures to reduce drug problems. There appeared good examples. Drug abuse has dramatically decreased in many places. The Ministry of Education and Training has been cooperating with Ministry of Public Security and their branches at all levels to launch a campaign “Do not try, keep, buy, sell and use drugs”, involving students, pupils, parent-teacher associations and other mass organizations. Documents on drug prevention and control measures are published and included into curricula; 800 training courses on drug prevention knowledge were organized for 92,240 people times including pupils, students, propagandists in schools; 14,000 mass demonstrations, 94,000 meetings and 250 exhibitions were organized; 26,449 documents on drug prevention control were published; 600 workshops were organized and 18 million pupil times were provided with knowledge about the negative effects of drugs and prevention measures. The number of pupil-addicts had decreased by 43% as compare to 1997.

Development of alternatives to illicit crop cultivation

To the beginning of 2001, the areas for illicit crop cultivation decreased by 98% (323 ha) as compared to 19,050 ha in 1985, and 50% as compared to 1998. Programs for alternative crops development were linked with other socio-economic development programs. Considerable contribution to this cause were Programs 327, 661, Hunger Eradication and Poverty Reduction, Permanent Settlement and Development of New Economic Zones, and very recently the Program 135 focusing in mountain rural infrastructure development for 1000 under-privileged communes.

In Cao Bang, Lang Son, Lao Cai, Yen Bai, Thanh Hoa, Ha Giang and Hoa Binh, the illicit crops were basically eliminated. At present, Son La, Lai Chau and Nghe An are trying best to liquidate the rest opium growing areas. High value cash crops like cotton, coffee, tea, black pepper, rubber, sugar cane, cannola, arachis, soybean, sunflower, cinnamon, annis, fruit trees, high yielding varieties like hybrid-maize, new rice varieties were introduced increase the income for local farmers.

The animal breeds like hybrid ducks, F1 piglets, super-egg ducks and chicken were also introduced. Training courses on agriculture and rural development and technical courses were organized to strengthen the knowledge, skills, awareness and capacity of local farmers. The flow of opium seeds with the people migrating from the North to the South is being found and cut, thus preventing opium growing anew in the Central Highland.

Great attention has been given to creation of off-farm income like eco-tourism in Sapa, handicraft, market development as well as international cooperation in the development of sustainable land use (agro-forestry, crop and animal diversification, inter-cropping, relay cropping, cover crops for soil improvement, protection and animal fodder).

International cooperation in drug control programs

Government and National Drug Control Committee have been strengthening the cooperation with United Nation Drug Control Program, ASEAN countries and especially with the countries that have common border with Vietnam within the framework of 5 governmental level drug control agreements, 15 ministerial level agreements, 6 national projects and 9 cooperation projects for sub-regional drug control activities. Especially effective was the cooperation with Laos and Cambodia contributing very much to preventing drug trafficking to Vietnam.

A number of 300 drug control officials were sent abroad for training, sharing and learning experience in drug control. More than 3000 drug control officials participated in the in-country drug control training courses organized by National Drug Control Committee, Ministries, branches and by international cooperation programs.
The Project VIE/92/660 was carried out to build the Master Plan for Drug Control in Vietnam. In 1996-2000, UNDCP and Vietnam jointly carried out the Project VIE/95/B09 for "Alternative Socio-Economic Development to Replace Opium Poppy Cultivation" with the total budget of US$ 3.8 mil. The Project has achieved important successes: support to community and agricultural development, construction of infrastructure (irrigation systems, transportation, clean water supply). The second phase will be focused on capacity building and strengthening for local farmers to apply advanced technologies to increase their income and sustainably eliminate opium cultivation.

Other international cooperation projects are being carried out to help mountainous farmers to develop their economy. Though they are not directly related to National Drug Control Program, they do bring farmers more income in more sustainable ways. This means that they also contribute to the cause of drug elimination in Vietnam.

3. Lessons from drug control programs and projects

- Tight leadership of Political Bureau, National Assembly, Prime Minister, leaders at different levels are very important and decisive factor for the success of drug control programs. The localities with strong leadership of local Party Committee, Government and mass organizations are more likely to succeed in drug control activities.
- Drug control movement is the cause of all people, whose participation, which is now widely recognized as participatory approach, is truly indispensable. The fundamental principle is "prevention is better than cure". So, propaganda, including education to increase the public awareness play the basic role. People are the basis; each family is a basic cell; communes, villages, living quarters, factories, institutions, offices, schools are the fulcrum and security forces are the core. Without mass participation, there will be no chance for success.
- Priority should be given to building and strengthening special drug control task force from central to grass-root levels. It is necessary to combine the struggle against drug trafficking lines with the mass movement for eliminating drug selling, retailing and drug smoking points in every living quarter.
- Training for giving up opium smoking must be carried out from family to community levels, and up to re-education camps. These activities must go together with great sympathy, love and with job creation for drug addicts after giving up opium smoking, because they are mostly victims and not offenders.
- Priority should be given to provision of manpower, facilities and financial resources and other logistics for drug control forces.
- More investment is needed to help the farmers who were used to be dependent on illicit crops growing for a living. More jobs must be created for them, either on-farm or off-farm.
- More international cooperation is needed in co-action, training, exchange of experience, as well as the technical and financial support not only in drug control but also in alternative development for illicit crop cultivation.

4. Future direction and activity plan for drug control program in 2001-2005

- Ministries, branches, people's committees at all levels to concentrate efforts on implementation of the Decision 150/TTg issued on December 28, 2000 by the Prime Minister approving activity plan for the National Drug Control Program in 2001-2005.
- Government and the National Committee for Drug, AIDS and Prostitute Control to take lead in the pilot implementation of drug control plan for 2001-2005 in 4 provinces and cities Hanoi, HCM City, Nghe An and Lai Chau. Regular review will be made at 6 monthly intervals.
- All efforts will be concentrated to carrying out 7 drug control projects:
  1. Information, propaganda and education on drug control issues (Ministry of Culture and Information).
  2. Development of alternatives to illicit
crops cultivation (Ministry of Agriculture and Rural Development).

3. Struggle against drug criminals, management of pre-drug materials and strengthening international cooperation in the drug control program (Ministry of Public Security).

4. Strengthening training activities for giving up opium smoking and post-addicts management (Ministry of Labor, War Invalids and Social Affairs).

5. Promotion of drug control activities in schools and universities (Ministry of Education and Training).

6. Research and application of drug-giving-up recipes, combining traditional medicine with other measures in curing drug addiction and functional rehabilitation for drug addicts after giving up drug smoking (Ministry of Public Health).

7. Building drug-free models at different levels (National Fatherland Front).

Implementation of drug control law approved by National Assembly being in power from 1 June 2001.

Prime Minister to issue guidelines for implementing Drug Control Law as soon as possible.

Ministry of Law to cooperate with related branches and offices to make propaganda about Drug Control Law to wide range of the masses through mass media, training courses, as well as meetings.

Efforts to be concerted to build legislation documents for implementation of Drug Control Law.

Research to be carried out to strengthen capacity and renovate the organization of drug control in new conditions.

Prime Minister is suggested to take the first 6 months of a year as the “Months for all people to struggle against drug criminals and drug abuse”, and the day of 26 June every year as the “Day for all people to struggle against drug criminals and drug abuse”.

5. Ministries, branches, people’s committees belonging to the central level have to report regularly every month, every 4 months, and even suddenly if necessary to the National Committee for Drug, AIDS and Prostitute Control (through the Drug Control Standing Office for Drug Control, Ministry of Public Security) about the situation of drug control in their localities. The National Committee should regularly review and examine the local problems to find solutions and give guidance for future activities.
1. Overview of the illicit drug situation: production, trafficking and abuse

In Vietnam, both seizures and number of people involved in drug trafficking, have increased over the recent years and drug smuggling is unfolding in an ever more complicated manner. Such a development is said to be the combined consequence of Vietnam’s proximity to the “Golden Triangle”, the recently introduced “open-door” policy as well as the high profits involved. Moreover, the Vietnamese law enforcement authorities are facing difficulties in tackling the escalating situation partly because the long borders and coastal lines have proven to be extremely difficult to control.

Vietnam is today considered a minor drug producing country, even more so after a remarkable success in the eradication of poppy plants since the introduction of the Government legislation decree 06 of January 1993. The decree spelled out provisions for a rapid eradication of opium poppy cultivation and alternative means to income for the opium poppy cultivating ethnic minorities of Vietnam. The area under poppy cultivation went from approximately 10,000 before 1990 to as little as 428.6 hectare in 2000. Minor production of cannabis in the Southern provinces of Vietnam takes place and ATS has made an inroad and there is no confirmation but anecdotal evidence pointing at certain precursors and possibly ATS being produced in Vietnam.

According to Government statistics there are currently 101,036 registered drug addicts in Viet Nam. According to a MOLISA/UNDCP survey conducted, around 80 % of the addicts are under the age of 35 with female drug addicts representing less than 6 %. The trend for the extent and pattern of drug abuse in Viet Nam is shifting from an older to an increasingly younger age group among the population who consume mainly heroin, opium and cannabis. The emergence of amphetamine-typed stimulants (ATS) in Viet Nam is also likely to have an impact on younger people in particular. ATS have become available in in the principal cities and in some of the provinces. Intravenous drug use and continued practice of needle sharing is fuelling an explosion in the region’s HIV-AIDS epidemic. 65.3 % of the total 28,091 registered HIV cases are made up by intravenous drug users.

2. National policies on drug control and illicit crop eradication

The Government has been persistent in pursuing its national drug control policy. Production and abuse of opium is forbidden under article 61 of the 1992 constitution and the government resolution No. 06/CP of January 1993, in addition there is also the more recent “Law on Narcotic Drugs Prevention and Suppression” of 2000. This latest legislation is based on the provisions of the existing criminal code and it recognizes that the prevalence of drugs is a social problem and that addicts are not offenders or criminals. It entered into force 1 June 2001.

The Government legislation decree 06 of January 1993 is responsible for the rapid eradication of opium poppy cultivation with an early attempt to provide alternative means to the opium poppy cultivating ethnic minorities of Vietnam. A number of Government programmes that would support this decree have also been implemented of which the following deserves to be mentioned: the National Government’s program 327, the HERP, Hunger Eradication and Reduction Program, and the 135 program assistance to infrastructure development in remote mountainous communes. Under the Government eradication programme, farmers are provided with some compensation for the eradication of their opium poppies in the

\(^1\) The paper was prepared by Mr. Per Vogel, Associate Expert, UNDCP Country Office, Vietnam and presented by Mr. Leik Boonwaat, farmer CTA of the Project.
first year, but less or no compensation provided for eradication if opium poppies are re-cultivated.

A first national drug control master plan for the period 1996-2000 was successfully implemented and apart from the implementation of the UNDCP-supported master plan, which is primarily aiming at mobilization of external resource for the fight against drug in the country, the government also launched a two-year action plan 1998-2000 with support from the state budget. A National Drug Control Action Plan for 2001-2005 has also been developed and approved by the Government.

3. Review of alternative development strategies and approaches

The Government approach as seen through its decree 06 in 1993 and the early alternative development efforts undertaken as a support to the decree were very effective (as described above) in reducing the areas under opium poppy cultivation but failed to sustainably deal with the vacuum that appeared in the wake of the establishing of good, relevant and productive alternative crops and means of income to substitute for what had been taken away. Re-cultivating poppies in Vietnam, cross border cultivation in Laos as well as involving in trafficking of drugs were by some seen as the rational choice where alternatives were lacking or insufficient.

Earlier attempts by government programs to deal with the above situation tried to introduce a variety of livestock and crops substitution programs, but did so without proper trials accentuated by a lack of follow up and proper technical advice and therefore failed to establish any sustainable alternatives for the local population.

The UNDCP initiative came in to trial its model approach in districts that was regarded by the Government as belonging among the very poorest of Vietnam, a district that also had one of the highest yields of opium poppies. Despite initial difficulties and problems in re-establishing trust, lost by the earlier failed attempts at crops substitution, and a good relationship with the district authorities and the local people, the Ky Son project was able to learn from these earlier lessons and improved the methodology as well as changed the originally pessimistic attitudes of the local people providing them with new hope and confidence. The project successfully completed but need to continue and expand what was achieved during the first phase.

4. Description of the project: Objectives, strategies, activities, resources and planned outputs

In each of its three main components of the project the immediate objectives were as follows:

Drug Control Objective
To develop & replicable methodology for the establishment of opium income substitution and drug demand reduction programs among ethnic minority groups in Vietnam, through the strengthening of the capacity of the national institutions responsible for delivering the required services.

Community development:
To reinforce the capacity of local officials and the ethnic population to improve health care, education, women’s development and community leadership and organization, and reduce the demand for illicit drugs - consistent with both government policy and local beliefs and practices.

Infrastructure development:
To build new capacity for management, design, construction and operation of infrastructure projects in Ky Son district, Nghe An province, to support agriculture, animal husbandry, and community development initiatives for replacement of the opium-based economy

Agricultural development:
To augment livestock-based sources of household economy by risk reduction, improved fodder supply, health services and increased stocking numbers. To diversify cropping-based sources of household food and cash economy by increased use of new varieties, intercropping of legumes and cereals, increasing fruit tree seedlings, developing locally appropriate technology, paddy development and the development of alternative crops and improved varieties. To stimulate marketing and processing opportunities and strengthen the local organizational and skill bases.
5. Modalities of the project management and implementation

The Ky Son Project employed active local participation in a participatory development approach as a core strategy to formulate development programs. This core approach was adopted in all stages of the project cycle: planning preparation, implementation, monitoring, and evaluation. The approach was seen as being consistent with Ky Son district’s social and economic conditions as well as in line with Government policy on developing democracy from the grassroots level.

- Training was provided to enable the farmers to carry out the activities and work plans required by the various programs.
- Implementation was then carried out by selected key farmers in key communes. The main objectives in this pilot phase was to set up successful trials and demonstrations.

The project implementation strategy includes five main components as follows:

- Exposure to new ideas, experiences and information
- Dialogue with participatory, needs assessment and planning
- Training & Education to enable implementation
- Monitoring evaluation, review and expansion
- Implement action with assistance from government and project

Monitoring and evaluation was also carried out at all stages to ensure that the activities were carried out in a proper and effective manner. The trials were then evaluated by the communities themselves before plans made for expansion.
6. Marketing of developed products

Marketing of products has been helped by the marketing development program brought about more awareness about marketing. As a result traders from the lowlands now purchase products directly from farmers in the villages. This development was in part facilitated by the improvement of commune access roads but also by a district marketing task force that assisted in the sale of ginger, potatoes and legumes. Commune authorities and farmers are beginning to understand the importance of marketing and now have a better idea of price fluctuations and setting of realistic prices.

In addition the project also initiated support to better post harvest technology trials and demonstrations as well as looking into the issue of post harvest processing, all in order to diversify, according to the comparative advantage of each of the local communes, and improve products to be brought to the markets bringing a higher price if at least in part processed.

Handicraft development in collaboration with an NGO named proved very successful. The quality of the products increased significantly and traditional natural dyeing techniques were “brought to life” and as a result the local handicraft producers have by now participated in four major handicraft bazaars in Hanoi. Orders have also been received from the USA for handicraft applique and embroidery produced in the project area.

7. Analysis on impacts of the alternative development projects on illicit crop eradication and community development

Illicit crop eradication is undertaken solely by the authorities (mainly through the Border Army forces) and has been so rapid that it has been difficult for the project to follow and fill the needs and demands created among the former opium growing. Too rapid eradication could be counterproductive and result in more re-cultivation, loss of trust in alternative development where an AD project can not deal with the rapid increase in demand of its services caused by rapid and efficient enforcement of eradication policies.

It is important to address and improve community development conditions in the highlands. The assistance the project provided under the community development component to health, education, women development, commune leadership and demand reduction were very important. One of the biggest constraints to development, stated by the government and the communities, is the lack of infrastructure prerequisites. These include commune access roads as well as commune to hamlet feeder roads, water supply schemes, electrification, and communications.

- Population constraints:
  - 1989 = 41,570
  - 1999 = 57,375. +15,805. (10 yrs)
  - Pop: Growth rate 2.8%/yr. NA: 1.7%/ yr
  - Total land area 179,172 ha.
  - Density 3.12 p/ha NA: 2.31p/ha
  - Population 60%<19 years NA: 44% <19yrs.

Assistance to village water supply schemes has been important and have helped to reduce the many hours that women and children have to spend on carrying water. Another serious constraint is the problem of the high increase in population, by some 15,800 over the last ten years. The population growth rate in Ky Son is estimated at 2.8% compared to a national average of 1.7%. While figures show a remarkable reduction in the amount of opium poppy harvested over a short period of time, the ability to sustain this reduction in acreage under opium poppy cultivation depends, as the government recognizes, on more comprehensive socio-economic development of opium producing areas, which generally are among the least accessible and poorest areas of the country.

8. Summary of good practices and lessons learned from the project

During the first phase the project was able to successfully achieve most of the planned objectives. It con-
tributed to the strengthening of the existing local district capacity. Project interventions contributed to improving the quality of people’s lives in Ky Son, opening their minds and attitudes to new ideas and opportunities and demonstrated that it is possible to improve and provide better food security and increased family income with the right assistance. This has given rise to new hope and confidence.

However, a continued extension of assistance is necessary to ensure sustainability and successful expansion of these initial achievements. The project’s achievements have been highlighted in various national, international seminars, study tours, international visits, and broadcasts on national and provincial television. This has given the project an important and unforeseen role in creating better understanding of the problems in the highlands and provides valuable lessons and experiences for addressing them not only in Vietnam but also within the region.

The project has been successful in its strategy and participatory grass root approach to develop a wide range of viable alternative models designed to increase individual village family income within the existing farming systems. This has been done through the use of farmer-based action research trials with key farmers successfully demonstrating various models. The prevention of livestock diseases has resulted in increased income. The introduction of new improved seed and cultural practices resulted in a two, to three fold increase in certain crops yields in the project zone. Some trials have now been expanded to cover nearly all of the communes within the district. Several of the models have also progressed from being trials and demonstrations to providing farmers with actual benefits and increased family incomes as a direct result of project interventions. This in particular refers to those farmers involved in the improved rice, maize, livestock, legume, potato, vegetable, fruit, honey, mushroom and handicraft programs.

It is important that the national counterpart implementing agency or responsible Ministry at the central level have a strong feeling of ownership of the project or program and that a continuity of responsible official bodies is maintained during the entire operational lifespan of the project. In Ky Son during the first phase a strong supportive relationship and ownership was built up over the years.

There are both advantages and disadvantage to having a National Project Director (NPD) at the District level. Normally in projects of this nature and size the NPD usually represents a central level national organization or ministry in order to maximize the support and understanding at the central level as well as ensuring replication of successful models on a wider national basis. An NPD at the district level does maximize the support and actual cooperation in activities at the field level. Especially when the NPD is the Chairman of the District as in the case of the Ky Son project.

Four years is too short a period for this kind of pilot project when the establishment of basic infrastructure is one of the prerequisites for the introduction of alternative economic development activities and drug demand reduction. It is a well-accepted fact that alternative development requires long-term continued commitments, politically, financially and technically to ensure its success.

9. Recommendations for future development and implementation of alternative development and crop eradication initiatives

- In order to expand successful models on a larger scale it is important to address the serious problem of providing sufficient numbers of motivated and qualified national staff to support on-going development programs and the expansion of successful models to other parts of the district. This could be done by strengthening existing district & commune networks and where necessary establishing new extension service capabilities at the grass root levels. This would naturally also mean the need for a large number of external technical support personnel and the commitment of Government funds.

- It is also important to ensure the continuity of staff assigned to work with project activities. The fact that project activities and district activities are one and the same is crucial to its success. It is important to continue training programs for local staff and key farmers to continue to upgrade their skills. It is important that these people
are not changed arbitrarily and that a mechanism is developed to ensure some form of continuity as well as to provide higher motivation to work in remote mountain areas.

- In order to efficiently utilize development assistance to the mountain areas it is very important to properly coordinate all development efforts from the government, international organizations and NGOs, ensuring full transparency to avoid possible overlapping and confusion within the same area, between various development programs both international and national. This could happen through the establishment of a Development Coordination Unit at both District and Provincial level. This unit should provide regular reports and coordinate work plans on a periodic basis.

- The project should make use of the many national consultants available at different national institutions representing a very valuable pool of knowledge and experience that should be incorporated more fully into provincial, district and communal network service providing mechanism.

- It is important to continue support to improving the quality of life of people in the highland areas through community development, better food security, and increased family income. Alternative development can only be successful when the necessary infrastructure and socio-economic prerequisites are present.

- There is a need to build up a transparent and accountable fund disbursement and service delivery mechanism at local and grass root levels before a large-scale replication and expansion of successful models is attempted.

- It is important to continue assistance to the development of marketing awareness, value adding and establishment of trade links. Marketing of products is still a serious constraint although farmers involved in project programs have already reached the stage where they are roughly packing, transporting and selling their products on the open market. Products being sold include, fruit, honey, mushroom, handicraft products, maize, rice, groundnut, soybean, mungbean, potatoes, cassava, ginger, taro, vegetables, chickens, ducks and pigs. This has all helped to increase village family income and improve living conditions.

- A project design which utilizes regular inputs from short-term consultants can only be effective if it includes the technical capacity to evaluate the consultants’ proposals and if there are experienced and motivated national support staff to implement the recommendations. Lack of sufficient and qualified full time government counterpart national staff will seriously hamper the ability of providing long-term sustainable support to the achievements of project activities.
An Overview Of Alternative Development And Illicit Crop Eradication Policies, Strategies and Actions in The Region

Forward
Given the short period of one week to research and write; this paper is not an in depth analysis but rather an attempt at a general overview of alternative development (AD) and its linkage and impact relating to illicit crop eradication policies, strategies and actions in the region based on available information.

In this instance illicit crop refers to the opium poppy and the region covers the five signatory countries of the Drug Control Memorandum of Understanding (MOU) in 1993 and 1995, consisting of China, Laos, Myanmar, Thailand and Vietnam that have a history of opium production but excludes Cambodia where opium poppy cultivation has not been officially confirmed.

This paper was prepared for a regional seminar on alternative development for illicit crop eradication: policies, strategies and actions to be held in the Union of Myanmar during July 2001. The seminar was planned under the UNDCP Regional Center's sub regional project on AD cooperation in East Asia (AD/RAS/98/C96) to provide an opportunity for policy makers and senior personnel in participating countries to discuss national policies, strategies and actions related to AD and illicit crop eradication. The paper is based on a compilation of information from various documents, reports and publications as well as personal project management experiences and observations from a succession of crop substitution, highland integrated rural development and alternative development projects in the region.

Acknowledgements:
Appreciation is expressed to the staff at the UNDCP Regional Center for East Asia and the Pacific including its Representative, Dr. Sandro Calvani, Dr. Sanong Chinnanon, Mr. Bengt Juhlin, Mr. Peter Lunding, and Khun Thevee Kasemsuvan for their support and assistance also to UNDCP Lao country representative, Dr. Halvor Kolshus for valuable insights.

Introduction
The term alternative development (AD) was first coined by UNDCP in the early 1990s and was defined as:

“A process through which the prevention, reduction and elimination of illicit cultivation of drug crops is achieved by specifically designed rural development measures aimed at providing lawful, economically viable and sustainable means of income as well as an improved livelihood to rural communities.”

The UN general assembly special session in June 1998 endorsed an action plan on International Coopera-
tion on the Eradication of Illicit Crops and Alternative Development that stresses the importance of integrating AD programs and law enforcement measures. It further states that AD programs should:

- Contribute to sustainable social and economic opportunities
- Be linked to national development planning to ensure sustainable political and economical integration of areas involved in illicit cultivation
- Be adapted to the conditions prevailing in the project area
- Be based on a community-participation based approach, involving indigenous knowledge, skills, interests and needs. Local communities should commit themselves to reducing illicit crops until they are eradicated
- Contribute to the promotion of democratic values to encourage community participation and the development of a civic culture that rejects illicit cultivation
- Build enduring local institutions
- Observe environmental criteria
- Enable women and men to participate equally in the development process
- Include appropriate demand reduction measures where a drug abuse problem exist

The action plan states the necessity of law enforcement measures at every stage of the drug cycle. That the use of measures such as eradication, destruction of illicit crops and arrests may be appropriate when organized crime is involved in the cultivation. AD is an on-going evolving concept. It is based on the idea that the drug and development problems are interconnected and that addressing these problems would also mean addressing the problem of sustaining human development and poverty alleviation.

Illicit crop eradication and replacement began in China in the 1950s where the Chinese Government promoted the cultivation of improved cash crops to replace income from opium poppy cultivation in the south western part of the country. In the three decades of highland development the approach taken in Thailand evolved in three phases from a crop replacement effort mainly supported by donors in the 1970s, to integrated rural development with the government taking a more active role in the 1980s, to a participatory and people centered approach in the 1990s.

Overview of the illicit drug situation: production, trafficking and abuse

Global illicit opium production in 2000 is estimated at 4,700 tons.

Afghanistan accounts for some 69%, Myanmar 23%, Laos 4%, Thailand 0.1%, Vietnam 0.3%, Columbia 2%, Mexico1%, Pakistan 0.2% and other 0.4%.

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1 ODCCP Drug Supply Reduction website.
2 McCoy 1972 and Rerkasem 1999
3 Statistics on Production and trafficking of Narcotic Drugs. UNDCP 14-17 November 2000.
China began dealing with opium poppy eradication more than 50 years ago and was able to eradicate opium poppy cultivation and drug abuse in less than ten years. It took more than 30 years before Thailand was able to reduce opium poppy cultivation to insignificant levels. AD related projects and government programmes have reached different development stages in Laos, Myanmar and Vietnam. Certain cultural, geographical and ethnical similarities exist between these nations. Sharing information, experiences and expertise available in the region is important and should contribute towards strengthening these programmes as well as success in a shorter period of time.

China
Arabian merchants are reputed to have introduced opium poppy into China more than a thousand years ago during the Tang dynasty (618-907 AD). It was only in the early 19th century that opium addiction became widespread in China.

<table>
<thead>
<tr>
<th>Year</th>
<th>Area (ha)</th>
<th>Imported (tons)</th>
<th>Addicts (estimate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1860</td>
<td>891,100</td>
<td>3,300</td>
<td></td>
</tr>
<tr>
<td>1905</td>
<td>1,252,900</td>
<td>6,000</td>
<td>20,000,000</td>
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<tr>
<td>1929-34</td>
<td>5,356,000</td>
<td>80,000,000</td>
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</tr>
<tr>
<td>1949</td>
<td>1,340,000</td>
<td>20,000,000</td>
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<td>1950s</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1999</td>
<td>Insignificant</td>
<td>680,000-7,000,000</td>
<td></td>
</tr>
</tbody>
</table>

[1949 estimated opium poppy area was 20 million mu. (1 mu = 0.067 hectare)]

It is estimated that there were two million addicts in China before the Opium War of 1839-42. China started cultivation of opium poppy on a large scale in the early 19th century. China was importing up to 6000 tons of opium in 1932. During the years 1929-1934 an estimated 6.1% of the arable land in the country was used to cultivate opium poppy cultivation, producing an estimated 50,000 tons of opium annually. During that same period addicts of all kinds of drugs in China reached an estimated 80 million. In 1949 there were some 20 million opium addicts in the country. This is about 4.4% of the total population in China at that time.

During the early years of the People’s Republic of China opium poppy cultivation was virtually eliminated. China enjoyed the reputation as a drug free country for more than twenty years. It was only in the end of the 1970s that the border areas especially in South West Yunnan met with large amounts of opium and heroin trafficking. In recent decades there has also been a reappearance of cultivation in the more remote mountainous areas. This illegal cultivation is limited and most of the produce is consumed domestically. There is no reported significant production of heroin in China. In recent years China has become a major source of illicit ATS. This growing production is not only for domestic use but finding markets in Japan, South Korea, the Philippines and Taiwan. Most of the heroin from Myanmar is trafficked through China to markets in Australia, Europe and North America.

Official government statistics in 1999, recorded 680,000 registered drug addicts but the number of those abusing drugs is believed to be much higher and conservative estimates now point to a figure of approximately 7 million drug users.\(^3\)

Laos
The Lao PDR is estimated to have some 11 per cent of the world opium poppy cultivation in terms of area but only about 4 per cent of its production. This reflects the very low yield of Laos opium production at

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\(^{a}\) Su 1997. China’s successful anti-drug campaign in the 1950s. Zhou Yongming

\(^{b}\) China Country Profile. Peter Lunding. UNDCP Regional Center for East Asia and the Pacific.
in the world with the annual prevalence for opiates only exceeded by that of Pakistan and Iran. According to the 1999-2000 National Opium Survey there are some 63,000 opium users in the country, equivalent to 2.26 per cent of the population of 15 years and above. Opium consumption is concentrated in the opium producing provinces of the north and is associated with cultivation. Of the 123 tons produced domestically, it is estimated that 70 tons are consumed nationally, with 50 tons being consumed by addicts and 20 tons for medicinal and social purposes. In the northern provinces alone, the rate was 4.84% of the population above 15 years old.6

The ability of the Lao PDR to control the flow of drugs within the country and along its long and po-

4.6 kg/ha in 1998 as compared to 15.8 kg/ha, the world average.6

Opium is produced in 10 out of 17 provinces and 90 per cent is concentrated in the northern parts of the country, particularly in the remote mountain regions where access is difficult. There are an estimated 2056 villages with families growing opium poppy.

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upward trend of heroin trafficking in recent years. Interpol reports suggest that small amounts of methamphetamine may be produced in Laos.

Map 2: Major heroin trafficking routes

Myanmar
The situation in Myanmar is complex and unusual. Most of the areas where opium poppy is cultivated have limited Government control and are controlled by different ethnic groups with whom the government has been involved in an armed struggle for many decades. Even though cease-fire agreements have been negotiated since 1989, many of these areas are still under varying levels of autonomy and self-government. Government presence in remote border areas is still minimal and uneven.

In 1999 some 80% of the opium poppy cultivated in South East Asia was in Myanmar. Opium production surged by about 60% during the 1987-1991 period. Over the last ten years opium poppy cultivation has declined by some 40%, however the manufacture of ATS amphetamine type stimulants in these remote border areas of Myanmar is rising and become a major problem. In 1998 the Government of the Union of Myanmar estimated that over 300,000 people belong to various hill tribes are engaged in opium poppy cultivation as a means of livelihood.

The main destination for surplus illicit opiates included China and Australia. Every year some three to four

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8 AD Policies, Strategies, Key Success, Indicators, Risks and lessons in WADP. John Dalton.
tons of heroin (equivalent to 30-40 tons of opium) is estimated to enter Australia, with more than 80% from South East Asia. The number of officially registered drug abusers in Myanmar reached 60,905 in 1999; this is some 0.2% of the population 15 and above. 91% of were registered abusers of opiates with 60% accounted for opium and 31% heroin. However this figure does not represent the actual prevalence of drug abuse. In some hill-tribes opiate abuse has been reported as high as 10% and more. UNDCP estimated over 300,000 people might abuse illicit drugs.  

Vietnam
Although opium has been known in Vietnam for a long time, it became widespread in the latter half of the 19th century when hill tribes who had learnt opium poppy cultivation in China moved into Vietnam and other areas of S.E. Asia. During the colonial period government controlled opium monopolies became an important source of revenue.

After 1975 the government promoted production of opium to be used in the pharmaceutical industry in Vietnam as well as in other COMECON countries. After the halt of government purchase surplus opium went into illicit markets.

The main opium poppy cultivating areas are in the highland areas of the northern provinces of Vietnam. The main ethnic minority group is the Hmong who cultivate about 75% of the opium poppy. The Kho Mu, Thai, Dao, Moung, Hoa and Vietnamese also cultivate small areas. These areas are difficult to access and people living there have a lower level of education, health, nutrition and income in comparison with other rural areas of Vietnam.

The Government’s office of statistics estimates that in 1991-92, there was some 15,495 ha of opium poppy cultivated of which 12,203 ha was harvested yielding some 43,230 kg of opium. In 1992-93, 12,878 ha planted and 4,559 harvested with an output of some 15,588 kg. In 1997-98 the area under opium poppy cultivation was reduced to some 424 ha.

There have been signs of re-cultivation of opium poppy in some areas in 1999-2000. Some 5,995 villages with a population of 1,341,000 were included in a survey of highland communes known to either have opium poppy cultivation, opium use or both.

Vietnam has become a transit point for trafficking of illicit drugs. Since 1992 there has been a number of seizures of drugs destined for Australia, Europe and North America.

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11 ODCCP Global Illicit Drug Trends 2001 pg 52.
12 Thai Press reports. ITV
According to provincial reports the number of drug addicts in Vietnam was some 183,155 in 1994. A study conducted in the year 2000 by the Drug Steering Board reports that there are 100,293 drug addicts in Vietnam. The actual number is estimated to be about 200,000 for opiate abuse and much more for drugs of all kinds. The problem of increasing drug use in certain areas, injecting of drugs and HIV are cause for serious concern.

National policies on drug control, master plans and illicit crop eradication

China
Beginning in 1952, through the use of nationalistic appeals in a drug control campaign of mass propaganda and mobilization, China by the late-1950s was essentially free of poppy cultivation and opium use [Zhou 1999, pp. 93-111].

In 1957 the authorities proclaimed for the first time that no nationality would be allowed to plant poppy, sell opium or to operate opium dens.

The 1979 Criminal Law imposed severe punishment for the manufacture, trafficking and supply of illicit drugs. This legislation was expanded with laws covering Narcotic drug control in 1989 and Psychotropic Substances in 1988 and with a comprehensive decision of the Standing Committee of the National People’s Congress on the Prohibition on Narcotic Drugs in 1990.

Chinese drug control policies consists of four main elements with a main focus on law enforcement:
- Law enforcement aimed at eliminating trafficking in drugs and precursor chemicals
- Treatment of drug users
- Preventive education
- International cooperation

A nation wide anti-drug campaign has been conducted in China since 1989. The National Narcotics Control Commission is the national drug control coordinating body.

Laos
In 1994, the Lao National Commission for Drug Control and Supervision (LCDC), with support from UNDCP, published a Proposal for a Comprehensive Drug Control Programme for the country. A programme approach is proposed in the document to support the national development plan. Key elements of the approach are:

1. the implementation of rural development projects aimed at opium reduction which will complement the government’s policy to reduce the ecological risks of shifting agriculture and contribute to socio-economic development and improved living standards;
2. enhancing the capacity of the public sector to address drug control issues through strengthening:
   - capacities to plan, monitor and co-ordinate rural development activities;
   - the drug control administration;
   - law enforcement agencies;
   - public services in rural areas.

The Lao PDR is party to the 1961 Convention and since 1997 it is also party to the 1971 Convention. In 1990, an article concerning trade or possession of narcotic drugs was included in the Penal Code.

In 1996, the Lao Government revised its drug control law (Article 135 of the Criminal Code on Drug Trafficking or Possession) and for the first time officially prohibited the production of opium. The scale of penalties for illicit trafficking was increased to life imprisonment and dispositions were introduced for precursor control.

The Government has further reinforced this with the Prime Minister’s order of 28 November 2000 and the policy to eradicate slash and burn cultivation and opium poppy cultivation by the year 2005 stated at the seventh party congress meeting in March 2001.

This strong Government political commitment has given a legal framework through which authorities are able to enforce the reduction and eventual elimi-

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14 Asian Harm Reduction Network estimates.
nation of opium poppy cultivation. The Government has chosen a gradual approach involving the introduction of alternative sources of income for opium poppy farmers and elimination of opium production by the year 2005. The Lao National Commission on Drug Control and Supervision is the drug control national coordinating body.

Myanmar
Myanmar signed the 1961 Single Convention on Narcotic Drugs in 1963 and in 1974 enacted the Narcotics and Dangerous Drug law that provided a broad legal framework for drug control.

The Union of Myanmar has been waging opium eradication campaigns since the 1980s at the same time attempts were made at crop replacement. This was difficult considering that much of the area under opium poppy cultivation had limited government control. In the mid 1980s aerial spraying of opium poppy fields were carried out with assistance from the D.E.A. This ended with the political unrest of the late 1980s.

On the 27 January 1993, the State Law & Order Restoration Committee Law No: 1/93 promulgated the Narcotics Drugs and Psychotropic Substances Law which provided for destruction of narcotic crops, confiscation of equipment, and penalties for drug money laundering. It also required registration and treatment of drug addicts.

The Cabinet meeting No:35/98 stated the declaration to effectively eliminate cultivation, production and abuse of narcotic drugs in the Union of Myanmar by the year 2014. This was to be conducted in three five year planning phases beginning from the year 1999-2000. The priority activities include:
- Elimination of opium poppy cultivation and production
- Elimination of drug demand and enforcement
- Community participation and international cooperation

The plan calls for progressive socio-economic area development focused on main drug production border areas with concurrent development of law enforcement, treatment and public awareness. The Central Committee for Drug Abuse Control is the national coordinating body.

Thailand
The first criminal code against opium addiction dates back to 1860. In 1955 the Prime Minister, Field Marshal Sarit Thanarat, issued a proclamation banning all production, sale, and use of opiates as of 1956. However, because of the heavy reliance the Thai government placed on revenues earned from the sale of opium, the Harmful Habit-Forming Drugs Act did not take effect fully until 1959.

Thai national development policy is stated in the National Economic and Social Development Board’s (NESDB) five-year economic and social development plans. The government began preparing such plans in 1961. During the Sixth Plan (1986-1991) when the development of “human quality” was promoted. People’s participation was recognized, essentially for the first time, in the Sixth Plan. At this time, highland development was rethought in the formulation of the Rural Development Plan. Three main objectives were identified for hill area work:
- Establish permanent settlements
- Reduce areas under opium poppy cultivation
- Conserve natural resources, in particular the watersheds

In the Seventh Plan, for 1992-1996, NESDB sought to convert rapid economic growth to sustainable growth with stability. [UNDP 1992, pp. 18-19] This type of planning continued through the Eighth Plan that was drafted in cooperation with an NGO umbrella organization and finalized in 1996 as the People’s Development Plan. 16

Thailand has a comprehensive drug prevention program as well as a voluntary treatment and rehabilitation program as part of its demand reduction strategy. Opium eradication is a part of the narcotics crops control strategy with opium eradication campaign started in 1984-1985,17 and jointly planned by the Royal Thai Army Region 2 and the Internal Security Operations Command. The Office of the Narcotics

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16 Thirty years of sustainable alternative development in Thailand have achieved opium reduction goals. R. Renard. 2001.
The production and abuse of opium is forbidden under article 61 of the 1992 constitution, and government resolution No. 06/CP of January 1993 strengthens the direction of drug abuse prevention and control. It also calls for the elimination of opium poppy cultivation through alternative crop and income programmes and related assistance activities.

The government policy is to eradicate opium poppy cultivation as soon as possible and significant funds have been provided for improved alternative crops and livestock for income replacement programs as well as some small infrastructure projects since 1992. Under the eradication programme, farmers are provided with some compensation for the eradication of their opium poppies in the first year, but less or no compensation is provided for eradication if poppy cultivation is continued the next year. This programme has led to an overall decline in the opium poppy harvested from approximately 10-12,000 hectare in 1991/92 to approximately less than 500 hectare in 1998. While these figures show a remarkable reduction, the ability to sustain this reduction in acreage under opium poppy cultivation depends, as the government recognizes, on more comprehensive socioeconomic development of opium producing areas, which generally are among the least accessible and poorest areas of the country.

On July 31, 1998 Decision No 135/1998/QD-TTg was signed approving the Programme for Socio-Economic Development of Communes in Especially Difficult Circumstances in Mountainous and Remote Areas, most commonly referred to as Programme 135. This programme aims at accelerating socio-economic development in the most underprivileged communes assessed to include some 1715 communes in the country of which 1000 communes would be given a priority. There are a number of other government and bilateral assistance projects and programs that complement AD efforts in Vietnam. Road construction projects supported by ADB, World Bank and other agencies will contribute to improve market access. The Vietnam National Drug Control Committee now known as the Standing Office for Drug Control is the national narcotic control coordinating body.

Review of alternative development strategies and approaches

China

In China the main focus has been on law enforcement, general development of rural areas and implementation of poverty alleviation programs. This has included plantation crop programs such as tea, coffee, rubber and sugar cane run by various groups. In the Langshen Group run Wanmu tea plantation families were relocated from highland areas to work in the plantations and sub contracted to manage 3-5 mu of land earning an income of some 2,500 Yuan (US$312.5) per annum.

The Longshen Group made the initial investments for land development, seedlings and wages for farmers before the tea comes into full production. The government provided the infrastructure costs from its poverty alleviation fund. Loans were made from the Agricultural Bank with terms of 5 years duration at 4% interest per annum. The Government provided schools and health stations. China, through the Simao authorities has also provided support to AD in Myanmar and Laos. This included seed, training and technical assistance for rubber, coffee, tea, medicinal plants, upland rice, watermelon seed.

Laos

In Laos the emphasis has been on a balanced approach to opium poppy elimination. The strategy has been prepared, as a UNDCP proposal, in response to the agreement reached between H. E. Khamtay Siphandone, President of Lao PDR and Mr Pino Arlacchi, Executive Director of UNDCP, to effectively eliminate opium poppy cultivation in six years by means of an accelerated rural development programme in the major opium producing districts.

It proposes to utilize US$ 80 million in new investment over the opium growing districts of the Lao PDR both in specific new drug control projects and to enhance ongoing and new projects that have complementary objectives in poverty alleviation. Of this an estimated US$ 3 million per district was proposed for

18 UNDCP Ky Son Project Document
AD in some 15-20 opium poppy growing districts in the Lao PDR. In addition other road construction projects funded by ADB, World Bank and other agencies will contribute to improving market access.

The strategy takes into account the fact that almost half of the opium grown is consumed in the growing regions and that this is strongly correlated with the poverty in these regions. Thus the opium elimination strategy is fundamental to achieving the poverty alleviation objectives of government and other donors in these regions.19

Myanmar

In Myanmar the main AD strategy has been to lift the living standards of the national races that will result in the gradual elimination of opium poppy cultivation.

This include:
- The development and improvement of communications and transport infrastructure
- Development in health and communication
- Availability of sanitary water
- Transport communication and electricity
- Alternative incomes to opium poppy cultivation
- Treatment of addicts20

To convince the actual powers in control of the border areas to cease opium poppy cultivation Yangon has to rely on indirect methods such as moral persuasion, next to the promise of non-military intervention and the provision of economic assistance. The Government has set itself the goal to have Myanmar opium free by the year 2014. To achieve this objective Yangon has formulated in 1999 a comprehensive 15 year Narcotics Elimination Plan estimated at US$ 62.8

19 A Balanced Approach to Opium Elimination in the Lao PDR.
20 Drug Control Situation. Pol Col. Myint Wai. CCDAC.
million and agreed on time frameworks with ethnic

groups. The Kokang area became in theory opium

free in 2000 and the Wa region has 2005 as its target
date.21

Thailand

In Thailand UNDCP assistance in AD can be broadly
divided into four phases:

Phase 1. Crop Replacement and Community Devel-
opment Project (1973-79) that used a strategy of con-
centrating development services in key villages. The
approach taken was more top down with people co-
operation rather than people participation. Direct
hired staff were employed and the project managed
by the Narcotics Control Board.

Key elements included:

- Agriculture - experimental stations, limited field
extension, focus on subsistence crops- upland
rice, corn and cash crops for key farmers.

- Primary Healthcare - Mobile units operating
from provincial towns, detoxification of addicts
at drug treatment centers.

- Education - some primary classes for children
and evening literacy classes for adults.

- Infrastructure - limited improvement mainly in
Key villages.

The outcome was several suitable cash crops such as
coffee, red kidney bean, potato were identified as suit-
able substitute crops for opium poppy. Lettuce, cab-
bage and carrots for off season production. Villagers
became interested but marketing limited due to inac-
cessibility. Project subsidized inputs rather than initi-
ate credit schemes that limited project sustainability.
There was no significant reduction in opium poppy
cultivation in target villages.

Phase 2. Highland Agricultural and Marketing
Project (1980-1984) that had a strategy of focusing
development in key villages but also giving attention
to satellite villages. Project extension services were
emphasized and project subsidized the marketing of
cash crops with expansion into other target areas.
The carrot and stick approach was adopted but with
limited people participation. Changes were based on
project planning. There was more involvement of
government line agencies and coordinated project
management. The key elements included a strong
focus on the extension of cash crops, project credit
programs and marketing orientation with project guar-
anteed prices. Health, education and infrastructure
were carried out by responsible line agencies.

The outcome was a strong emphasis on marketing
complimented successful promotion of cash cropping.
Merchants made direct contact with highland farm-
ers. However farmers refused to accept market fluc-
tuation and became used to project subsidies. There
were moderate reductions in opium poppy cultiva-
tion. Many farmers grew both the new cash crops
and poppy. Project sustainability was difficult to
achieve because there was only one implementing
agency actively involved.

Phase 3. First Masterplan for Highland Development
Strategies include targeting eight large opium poppy
cultivating areas for an AD approach with responsi-
ble line agencies implementing the projects. Devel-
opment efforts worked parallel with law enforcement
with a more people participation in project planning.
There was more integration of development efforts
and coordination with provincial and district authori-
ties as well as involvement of line agencies at the de-
partmental and ministerial levels. Environmental con-
servation issues also began to be included.

Key elements include promotion of subsistence and
backyard and cash crops, extension of paddy areas.
Promotion of health services and the establishment
of village health care stations. Promotion of educa-
tion and non-formal education centers. Roads, bridges
and water supplies were developed. Mini-watershed
strategies developed. Opium poppy was eradicated
by suppression.

The outcome was the project support for the provi-
sion of basic services through the involvement of sev-
eral line agencies. In many cases their staff had little
knowledge and experience of highland development.
They also found working in the highlands difficult
which resulted in less people participation than
planned. There was a tendency to concentrate devel-
opment activities in more accessible villages. Once
established basic services continued to be provided

after the project ended and community based strategies were successfully developed by some projects. Household incomes were generally substantially raised especially in areas with good market access. Large reductions in opium poppy cultivation but addiction to heroin increased at an alarming rate in more prosperous villages.


Strategies include targeting all highland areas with the objective of providing developments services for hill-tribe people through a more balanced integrated development process.

The approach taken was to ensure village representatives were involved in planning. Line agencies at district and provincial levels responsible for implementation and the use of regular government budgets. Key elements included the provision of Thai citizenship, permanent village settlements, sustainable agricultural systems, soil and water management and conservation. Incorporation of drug control enforcement measures in production, trafficking and abuse.

Outcomes include the continued expansion of government services in highland areas. Budget allocation tended to be made at a departmental level without using bottom-up planning mechanisms. Standard programs are implemented at field level without taking into account local situations and needs of highland people. There was little coordination between different implementing agencies. Drug abuse amongst the hill tribes continued to increase.22

Vietnam

In Vietnam the main emphasis started in 1992-93 with program 06 which included mobilization of the people and persuasion to eradicate opium poppy together with income replacement through the promotion of improved rice, maize, irrigation and livestock. In the early 1990s there was a more top down approach taken. Demand reduction activities were also carried out under program 06.

In the mid 1990s this approach progressed to a more integrated participatory community based alternative development approach introduced partly through the UNDCP supported Ky Son socio-economic development pilot project. The Ky Son project demonstrated community based participatory planning processes and the development of various livestock, agricultural and non-agricultural based income generation models for villagers living in remote mountainous areas as well as strengthening of local institutions to be able to sustain replication and expansion of services to villagers. The project was a focal point for inter-agency cooperation and collaborated with many national institutions in the country providing lessons in coordination and making development efforts more efficient and focused.

This was followed in the late 1990s, by a commune based widespread government program 135 to accelerate socio-economic development and infrastructure in the 1000 most underprivileged and remote communes. In 5-7 years the main objective is to improve road access, irrigation works, schools, health stations and water and electric supply systems. On average, each commune will receive VND 400 million (roughly US$ 28,500) a year to build and complete one or two projects. The commune leadership is given the responsibility for selecting and overseeing the implementation of the projects.

While program 06 targeted opium poppy cultivating areas program 135 targeted the most difficult and remote communes many of which had relied on opium poppy cultivation for income. These programs together with other government and bi-lateral programs contribute to improve socio-economic conditions for villagers.

Summary of UNDCP & other alternative development projects in the region

In China little information is available to summarize the number of government programs and projects as well as funding provided for highland development. In Yunnan, funding had come in the form of governments poverty alleviation programs and plantation programs funded by loans from Government banks.

In Thailand the major highland development projects include:

<table>
<thead>
<tr>
<th>Project</th>
<th>Donors</th>
<th>Budget</th>
<th>Agency</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The Royal Projects</td>
<td>Various</td>
<td>100</td>
<td>Royal Household</td>
<td>1969-present</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Mae Fah Luang</td>
<td>1988-present</td>
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<td></td>
<td></td>
<td></td>
<td>Foundation</td>
<td></td>
</tr>
<tr>
<td>2. Doi Tung Highland Development Project</td>
<td>Various</td>
<td>25</td>
<td>Mae Fah Luang</td>
<td>1988-present</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Foundation</td>
<td></td>
</tr>
<tr>
<td>3. Thai/UN Crop Replacement &amp; Community Development Project</td>
<td>USA</td>
<td>3.4</td>
<td>UNFDAC/ONCB</td>
<td>1972-1979</td>
</tr>
<tr>
<td>4. Thai/UN Highland Area Marketing &amp; Production Project</td>
<td>UN</td>
<td>3.7</td>
<td>ONCB</td>
<td>1979-1984</td>
</tr>
<tr>
<td>5. Mae Sa Integrated Watershed Development Project</td>
<td>Netherlands</td>
<td>1.5</td>
<td>CMU</td>
<td>1982-1992</td>
</tr>
<tr>
<td>8. Hill Areas Education Project</td>
<td>GTZ</td>
<td>25</td>
<td>ONCB</td>
<td>1981-present</td>
</tr>
<tr>
<td>9. Thai-German Highland Development Program</td>
<td>USA</td>
<td>5</td>
<td>ONCB</td>
<td>1980-90</td>
</tr>
<tr>
<td>10. Narcotics Crop Cultivation Control Project</td>
<td>Australia</td>
<td>8</td>
<td>PWD</td>
<td>1986-1993</td>
</tr>
<tr>
<td>12. Thai/Un NCA Highland Lampang Development project</td>
<td>Sweden</td>
<td>2.5</td>
<td>DOLA</td>
<td>1986-1994</td>
</tr>
<tr>
<td>13. Thai/UN Pae Por Highland Development Project</td>
<td>Canada/ Sweden</td>
<td>3.5</td>
<td>RFD</td>
<td>1987-1994</td>
</tr>
<tr>
<td>14. Thai/UN Doi Sam Mun HDP.</td>
<td>Intl. O.G.T</td>
<td>2.9</td>
<td>RFD</td>
<td>1987-1994</td>
</tr>
<tr>
<td>15. Thai/Un Wiang Pha HDP.</td>
<td>Norway</td>
<td>1.5</td>
<td>ONCB</td>
<td>1987-1992</td>
</tr>
<tr>
<td>16. Thai/WIF HDP</td>
<td>New Zealand</td>
<td>0.5</td>
<td>MOA</td>
<td>1989-1992</td>
</tr>
<tr>
<td>17. Thai/New Zealand Cooperative Temperate Fruit Tree Development Project</td>
<td>Japan</td>
<td>0.7</td>
<td>ONCB</td>
<td>1990-1994</td>
</tr>
<tr>
<td>18. Thai/UN Doi Yao-Pha Mon HDP</td>
<td>Germany</td>
<td>3.9</td>
<td>ONCB</td>
<td>1990-1994</td>
</tr>
<tr>
<td>19. Thai/UN Integrated Pocket Area Development project</td>
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<td></td>
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</tr>
<tr>
<td>20. Thai/UN Strengthening of Community based Drug Prevention Strategies in the Highlands of N. Thailand</td>
<td>Germany</td>
<td>0.27</td>
<td>ONCB</td>
<td>1994-1996</td>
</tr>
</tbody>
</table>

Total of Listed Projects US$ 257 million (approximately)

Budget figures based on bilateral and UN donor contributions (the Thai Government provided additional inputs in kind and in cash)\(^{23}\)

Laos
Between 1982 and 1988, the government of the Lao PDR received no assistance for drug control activities. However, since 1989, a series of projects aimed at the reduction and gradual elimination of opium poppy cultivation and the reduction of demand for drugs has been initiated with support from various donors. In addition, several projects are planned for the coming years. These include:

- LAO/550, (1989-1996), Alternative Development in Xaisomboun, Hom District: Referred to as the ‘Palaveck’ project, it successfully eliminated opium production (3 tons per year) in the project area. (Budget: US$ 6.68 million)
- LAO/551-2-3 (1992-1998), Alternative Development, Xiang Khouang: Combined with an IFAD loan, it had a difficult start but achieved to launch a province wide agricultural development process and to reduce opium production in the province by 25%. (Budget US$ 6.2 million).
- LAO/865 (1994-1997) Alternative Development, Bokeo-Luang Namtha: Pilot and first phase. It has laid the groundwork but did not cover all intended project areas. (Budget US$ 1.5 million).
- LAO/876 (1994-1997), Institution building: project used for data collection, legislation development, programme formulation and training. (Budget: US$ 0.27 million)
- LAO/867 (1996-1999), Law Enforcement, Bokeo-Luang Nam Tha: Support the establishment of Counter Narcotics Units of the Lao Police. (Budget US$: 0.3 million).
- France (1995), Institution Building: Magistrate training seminar in collaboration with UNDCP.
- Japan (1997), Demand Reduction: Contribution to the renovation of the training and rehabilitation training center in Louang Prabang.
- USA (1994-1997), Law Enforcement: establishment of decentralised counter narcotics units (Vientiane, Savanakhet, Bokeo).
- USA (1998- ), Law Enforcement: planned establishment of decentralized counter narcotic units (Oudomsay, Phongsali, Louang Prabang, Houaphan, Xieng Khouang, Champassak).
- USA (1999- ), Alternative Development, Oudomsay (under consideration)
- Germany (1998- ), Alternative Development; Louang Nam Tha (Sing District), Bokeo, Xieng Khouang: some funds also earmarked for institutional strengthening.
- USA (1998-2000), road construction in Oudomsay, in collaboration with UNDCP Oudomsay micro-project.

Myanmar
For the period between 1976 to the year 2000 the international community has provided about US$ 35

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24 Nonghet C99 Project document.
million through UNDCP to the Government of Myanmar.

These included funding for:

- The Wa Alternative Development Project officially known as the Drug Control and Development in the Wa Region of the Shan State, AD/RAS/96/C-25, the project was originally designed in 1996. The project document was signed in July 1997 by representatives of the Government of the Union of Myanmar (GOUM), the Peoples Republic of China (PRC) and United Nations International Drug Control Program (UNDCP). Project implementation began in late 1998. The total budget planned is US$ 15.4 million.
- Support for Opium Eradication Programs in Laukkai, Kokang Region. UNDCP budget US$ 339,000
- Support for Opium Eradication Programs in Namtit, Wa Region. UNDCP budget US$ 226,000
- JICA 2KR Program Increasing Food Production in Border Areas. Budget 1.8 billion Yen.
- Buckwheat (Soba) cultivation project for crop substitution. (JICA)

Vietnam
UNDCP funded the Alternative Socio-economic Development Project to Replace Opium Poppy Cultivation - Ky Son Pilot Scheme AD/VIE/95/B09 better know as the Ky Son project. The project was executed by UNOPS with the Committee for Ethnic Minorities and Mountainous Areas as the main implementing agency. Total UNDCP funding was US$ 4,023,200. (May 1996-April 2001).

The Government has expended significant amounts of funds under its 06 and 135 programs that together is contributing to improving socio-economic conditions as well as infrastructure in the remote mountainous areas. Other projects supported by the UN, the EU, Sweden and various NGOs have also been involved in improving living conditions for the people living in mountainous areas in which opium poppy was cultivated.

Analysis on impacts of alternative development programmes and projects on illicit crop eradication and community development.

Alternative development aims to provide acceptable socio-economic conditions that are sustainable and surpasses those provided by a livelihood dependant on illicit opium poppy cultivation. It also aims to improve the capacity of national and local institutions to sustain, replicate and expand development processes. There are certain similarities including the aim of AD across the region and certain cultural, geographical and ethnic similarities. Differences include approaches taken and resources available in different countries. Reasons for households to grow opium poppy may differ. The understanding of what is an acceptable level of socio-economic conditions may differ. Capacities and resources of some local institutions require significant strengthening. Many areas are still difficult to access and certain areas have problems of security and limited government presence or control.

While rankings may differ some of the main priorities identified by villagers include:
- Improved road access
- Improved access to health and water supply
- Improved access to education
- Improved food security
- Improved income generating opportunities

Some of the most commonly questions asked by officials and villagers when discussing alternative development are:
- What kind of crops, livestock or products should be promoted?
- Where to market and sell these products?
- Where and how to train the people involved?
- How to target assistance?
Where to source expertise, technology and inputs?

In general opium poppy cultivation has been reduced by a combination of alternative development and the enforcement of drug control legislation and eradication measures. The question arises on what comes first; sustained alternative development, eradication or a combination of both. There have been instances where opium poppy cultivation was reduced without law enforcement but through strong local leadership and provision of viable alternative livelihoods such as sufficient lowland rice fields together with other improvements to socio-economic conditions in the area.

In China besides the general integrated rural development improvements as part of national development and poverty alleviation programs, a plantation crop replacement approach using mainly tea, coffee, rubber, sugarcane as main crops was promoted. Marketing of these crops were targeted to the domestic market.

During the 1970s crop substitution was the main approach taken in Northern Thailand to replace opium income. Many alternative crops were found to be successful but some only with long-term government assistance and subsidies. Crops promoted included kidney bean, temperate fruits and vegetables as well as Arabic coffee. Some of these crops faced problems with external pressures on cost of inputs, marketing and price fluctuations. Additional problems included environmental degradation and soil erosion. In Thailand, initial expansion of new crops faced marketing constraints. These constraints were overcome with large-scale infrastructure development and the establishment of marketing supports.

In the 1980s the resulting rapid and large-scale expanded mono cropping of certain cash crops in Northern Thailand failed because production could not be maintained on a long-term basis and in certain areas resulted in degradation of soil and forest resources.

However there are certain highland communities that were able to overcome the problems of uncertain economic conditions and the transition from traditional agricultural practices to a more sedentary form of agriculture through the development of sustainable farming practices. Household subsistence and income was supplemented and derived from diverse sources including agricultural, livestock, nonagricultural and forest products. Some other sources of non-agricultural based income generation included development of handicrafts and eco-tourism.

In Laos, farmers in the Palaveck area have been able to still sustain opium poppy reductions some five years after the end of UNDCP project assistance. The project had provided basic infrastructure improvements and initiated the first village based treatment and rehabilitation program in Laos. The project had been able to assist in initiating development of sufficient lowland rice fields with the added advantage of irrigated dry season cropping of vegetables and other cash crops. Local young people who were trained as health care staff by the project continue to provide improved health care services. They have also been incorporated into the government’s health care system. Farmers also earned an income from selling livestock. The project assisted improved simple post harvest processing of chilies also continued to provide income. Other new improved crops introduced by the projects have not however expanded beyond a few progressive farmers. Maintenance of access roads remains a problem and electricity as well as other modern amenities has still not reached this area.

In Vietnam, the UNDCP Ky Son project area villagers identified livestock as their main source of income and requested assistance to reduce livestock diseases and deaths. In addition as a response to farmer identified priorities project efforts were also made to add value to crops such as maize and cassava by introducing simple improved post harvest and storage techniques that contributed to better quality livestock feed and higher incomes from livestock sales. Introduction of various cash crops have proven initially successful. Mushroom production, honey production has provided increased incomes for some farmers. Handicraft development also proved to be a good source of non-agricultural based income sources.

For some opium farmers, markets in neighboring countries are closer than those in their own countries. Improving and sustainably changing livelihoods dependant on opium poppy cultivation hinges on the
existence of secure supplies of inputs as well as access to markets. It thus becomes very important to develop proper cross border trading channels.

Some AD projects in border areas have experienced difficulties in obtaining necessary inputs and facilitating marketing of products. Informal trade channels have a greater risk of exploitation and less reliability than a properly regulated trade mechanism. There is also a greater risk of smuggling and movement of illicit drugs as well as disease outbreaks as a result of cattle movements through informal channels.

There is a general assumption that alternative development requires significant amounts of funding. It is estimated that Thailand may have spent more than a billion US dollars for highland development. Much of this was the result of nation wide development programs during the strong economic growth in Thailand from the mid 1980s to the mid 1990s. Funding is becoming more limited in the entire region and it is important to be able to use available funding in the most effective and efficient way. There is a risk that because of time constraints and the use of shortcuts; taking certain steps before the necessary development prerequisites have been established will not achieve the results expected.

There have been significant reductions in opium poppy cultivation in areas where alternative development projects are or have been implemented. It is however difficult to analyze the direct impact that alternative development programs and projects have on illicit crop eradication. There have been a number of positive effects that include:

- Regional governments capacities to plan and develop drug control and development policies have become more enhanced.
- The inclusion of highland area development into national development master plans by Government policy makers.
- There have been more wide spread complementary national development programs added to alternative development project areas in some countries.
- The concept of participatory planning and empowerment of local communities has become more widely accepted and has become integrated into some national development programs within the region.
- Before 1970 not much was known about the mountainous areas and the people who live in these regions. Awareness and importance of understanding and integrating development planning with local cultures, traditions as well as indigenous knowledge is better accepted.
- Government line agencies in many countries are more aware of the importance of providing effective and efficient services to remote mountainous areas and are gaining more experience towards providing these services.
- Some once remote areas have improved living conditions and improved accessibility.
- Although still limited there is more research available regarding sustainable highland agricultural development. Some farmers have managed to adopt more sustainable upland agricultural practices.

Summary of lessons learned

There are three main elements used commonly in anti-opium propaganda and campaigns in China. These focused on the damage that could do to the personal health, fortune, work and family at the individual level. At the state level opium damages extended to the strength of the country depriving it’s financial and manpower resources. Lastly the vitality of the Chinese nation and race was the issue.26

In Thailand, the H.M. the King and other members of the Royal family strongly promoted the development of hill-tribes, the mountainous areas and the elimination of opium poppy cultivation.

- It is important that there is a strong and long-term political and financial commitment to support alternative development efforts. That AD is a top national development priority.
- It is important that not only local communities take ownership of their development but also that relevant Government bodies at all levels take ownership and an active role in alternative development efforts.
- It is important that there are stable secure conditions with easy access for government line agencies to provide rural development services.
- It is important to strengthen local institutions.

26 China’s successful anti-drug campaign in the 1950s. Zhou Yongming.
More assistance is required to provide quality human resource development activities incorporating local human resources encouraging self-reliance.

- It is important to take a participatory approach to development and ensure projects address priorities identified by the communities concerned with their participation. Opium farmers are on the whole very low risk tolerant and will only adopt what they really think will benefit them.

- While the successful promotion of cash crops, improved livestock husbandry within sustainable highland agricultural practices may contribute to reducing opium poppy cultivation there is a need for enforcement of drug control legislation and eradication to ensure sustained reductions.

- The provision of improved socio-economic development must include environmental conservation considerations.

- Marketing and credit should not be directly supported by the project but facilitated with the aim of sustainability after the project ends.

- The sharing of relevant information and expertise is important to achieving success in alternative development in the region.

- More emphasis, support and special strategies incorporating participatory processes are required to achieve more success in demand reduction.

- Resettlement should come from a voluntary and spontaneous process of a migration pull towards areas of development rather than policies of forced involuntary push of people to develop other areas.

- Special strategies and assistance is required to develop proper cross-border trade channels. Informal trade channels are likely to be less reliable and are more at risk to exploitation than well regulated trade mechanisms.\(^\text{27}\)

Conclusions

The concept of alternative development has been accepted as part of the drug control policy of choice for governments in the region. ASEAN has set a goal of being drug free by the year 2015 and the ultimate alternative development goal is the eradicate illicit opium poppy cultivation by the year 2008. This target was set by the United Nations General Assembly special session in 1998.

Major opium producing countries in the region have drawn up their own goals and timeframes to eliminate opium poppy cultivation within their borders. There is presently a good opportunity to achieve success in the region however this also comes at a time when donor funding has become scarcer and government funds and resources remain limited. The question is what to do and how can governments in the region continue with alternative development efforts considering limited resources available.

It is important to continue to share information, expertise and experience available in the region. The UN agencies led by UNDCP should work with the governments at the highest level to ensure that A D is a top national development priority as well as create the necessary environment and prerequisites for the successful implementation of A D and hence poverty alleviation. There is a need to foster more collective regional and national efforts in this direction including the development of cross border trading mechanisms that will facilitate A D efforts.

The typical opium poppy farmers in the region are isolated impoverish ethnic minority communities cultivating opium poppy in remote mountainous areas to earn or complement a subsistence livelihood. Compared with other areas in the region these have lower levels of health, education, nutrition and income. In many instances the rate of opium abuse is also higher. Alternative development aims at improving their lives with the main objective of alleviating poverty and dependence on opium.

This would mean creating sustainable socio-economic conditions that surpasses that provided by a livelihood based on the cultivation of illicit crops. The development of systems of good local governance that can provide the necessary services for sustainable rural area development including easy access to health, education, markets, agriculture extension, credit and provide sufficient food security and incomes from legitimate sources.

It also requires the presence of supportive policies that allows people to live with dignity, provides law and order, basic human rights and sustainable human development. It is only through the provision of these conditions that the need to depend on illicit cultivation of opium poppy in the mountainous regions be sustain ably eliminated and the vision of a drug free ASEAN become a reality.

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Summary of Key Issues Raised after Presentations and During Discussions.

DISCUSSION FOLLOWING PRESENTATION OF CHINA:

Cross border trade and cooperation
The need for cooperation and collaborative long term AD strategies between neighboring regions separated by state borders, particularly along China-Myanmar and China-Laos borders, was expressed, with emphasis on the positive impact that for example lifting trade barriers can have on AD activities.

Globalization and trade
Subject to discussion was also the ongoing globalization and WTO regulated liberalization of world trade, particularly as this can create a contradictory force to potential AD aims and efforts at regional economic cooperation and trade. These new international regulations may prevent certain subsidies rendered to AD products.

Competitiveness of AD products
This discussion centered on the issue of how to improve the competitiveness of AD products in international and domestic markets.

Production level/scale
The relationship between self-sufficiency farming and cash crop for local and regional markets was discussed, with emphasis on the importance of starting small as well as paying due respect to the difficulties many farmers will have with managing the risks involved with up scaling.

DISCUSSION FOLLOWING PRESENTATION OF LAOS:

Law Enforcement
Discussion focused on if law enforcement should be integrated into AD or rather be treated as a separate area of activity. Several accounts of hands-on experiences enriched a debate on whether sanctions should be community-based or carried out through regular law enforcement channels.

Resource allocation
Of particular interest during the debate on project resource allocation was the relationship between spending on infrastructure and farmer income generation.

Long term sustainability
Discussion centered on the need for long term commitment from donors and organizations, recognizing that alternative development does not evolve and sustain within the confines of a three-year project. Another issue was whether AD projects, after opium eradication, should become development projects rather than being phased out completely, to address the issue of sustainability.

Coordination in the project community
Laos has several ongoing AD projects, and this spurred a discussion on how to coordinate between the various projects.
Achievement indicators for AD

Of concern was also whether achievement indicators for AD projects should be different from development projects in general. This question was based on the conception of AD as having a much wider scope than poppy eradication alone. Meanwhile, differentiating between AD projects and development projects was also commented upon as important with regards to donors.

DISCUSSION FOLLOWING PRESENTATION OF MYANMAR:

Cost efficient project design and implementation
The proper utilization and balancing of national and international human resources was discussed, with emphasis on how to make cost efficient use of necessary international assistance.

Discussion also included the need for cost effective, efficient and appropriate project design and management, the full utilization local resources before importing external resources.

Small versus large scale projects
An issue was raised with regard to the cost-effectiveness of large scale AD projects with a lot of resources allocated to infrastructure and international consultants. The seminar also discussed the challenge of downscaling a project after implementation has started, particularly difficulties in dealing with expectations among people that are no longer realistic.

Should projects start before they are fully funded?
While it would be an ideal situation to await full acquisition of funds before implementation, the discussion of experiences seemed to acknowledge that this often is not possible, particularly for a very large-scale project.

DISCUSSION FOLLOWING PRESENTATION OF THAILAND:

Learning from the Thai experience
Discussion centered around how to make use of the thirty years of experience in Thailand and ease the opium eradication process in other countries in the region. Noting on the one hand that more cost efficient methods surely could be available to other countries; the discussion also recognized that certain features, such as the level of infrastructure and accessibility to markets were highly favorable in Thailand.

Cultural identity
The issue of AD and potential loss of cultural heritage was also noted during the seminar.

DISCUSSION FOLLOWING PRESENTATION OF VIETNAM

Use of national resources
With a particular view to national research institutions, the seminar discussed the importance of making use of national resources. The need to create awareness about local resources was highlighted and national agencies called upon to assist in this task.

Making use of existing political structures
Exemplified by the “mass organizations” of Vietnam, a topic for discussion was whether AD projects should make use of political structures such as these. If so, another issue would be how to differentiate - and whether it is necessary to do so - between the political objectives of these organizations and the AD objectives. The efficiency in making use of existing structures was noted.

Coordination between projects and national agencies
The need for increased coordination was discussed in the context of AD projects facing the challenge of relating to a plethora of agencies as well as different levels of administration (local, regional, national).

Voluntary relocation
Relocation recurred as a topic during the seminar, with several accounts of successful voluntary relocations (in response to project activities, infrastructure and so on).

ADDITIONAL TOPICS OF DISCUSSION:

Awareness
Recognizing the importance of awareness in drug control, the debate emphasized the need to constantly consider ways of creating awareness at all levels.
Strategy for illicit crop eradication: 
Eradication then sustainability?
Another topic for debate was the method for eradication and sustainability: whether to eradicate quickly by force and then to sustain it by AD, or rather have a slower process of AD leading to illicit crop eradication.

The role of law enforcement in opium reduction
This topic centered on what role law enforcement should play in a balanced approach of AD.

Research centers
The problem of the ability to bridge the gap between theory and practice, the seminar discussed the use of research centers and the usefulness of their research for fieldwork at the village level. The aim of promoting more participatory action research for AD was noted including the integration, coordination, collaboration and strengthening of national and regional research and technical institutions with AD efforts.

Pilot and real projects
Discussing the relationship between pilot and real projects, costs and availability of labor as well as other resources were considered key points.

Seed money and micro credit for AD
The seminar raised the issue on the need to incorporate micro credit or seed money for AD farmers. Seed money, in cash or kind, through revolving funds, was emphasized as an important measure to start up new AD activities.

Marketing AD products
Produced in remote areas, finding and accessing a market for AD products can be a challenge in itself. Much discussion centered on the need for marketing information and strategies for AD products. The need to be demand driven when it comes to project design and support was emphasized and exemplified, and market research and quality control were seen as key tools to achieve this.

Bilateral assistance
With regards to AD activities and projects, bilateral assistance between countries was considered an important challenge and goal for the future.

Resource mobilization
The seminar also raised the issue of funding for AD programmes and projects. Some AD projects face major financial constraints and have had to be downsized with a lot of cuts on project activities and human resources. The issues of proactive resource mobilization and allocation were highlighted.

Donors
The seminar emphasized the need for AD being considered a national development priority by governments and that fact being known to donors.

KEY ISSUES RAISED DURING DISCUSSIONS BY THE WA REPRESENTATIVE
Describing the lack of infrastructure and the challenge this poses for development in the area that is populated by small and scattered communities, the need for further assistance to improve this situation was expressed.

Private sector actors were invited to consider investment in non-agricultural industries such as gems and mining.

The commitment to stop opium growing was restated, and relocation of the Wa to potential AD areas discussed.
Balanced approach for AD

Policy level:
- AD is closely linked to demand reduction. However, law enforcement should be clearly separated and addressed by institutions outside the project.

Project level:
- There is a need to redefine and clarify community sanctions as a part of the integrated approach in order to keep the separation between law enforcement and AD.
- There is a need to redefine achievement indicators for AD.
- Balanced approach in drug demand reduction should be broad and not substance specific. Positive prevention measures are preferred to negative.

Agricultural alternative development

Policy level:
- Mechanisms should be established for the sharing of regional technical knowledge conducive to the establishment of such farming systems.
- Land allocations, land tenure and land use need to be addressed.

Project level:
- Identified project beneficiaries should be consulted during the project design process.
- Marginalized groups needs should be addressed.
- Food security and food sufficiency should be the immediate aims of AD.
- PTD - Participatory technology development should be an integrated part of AD.
- Non-timber forest products should be given special attention in a sustainable way.
- Participation and training of women must be ensured.

Non-agricultural/non farm alternative development

Project level:
- Physical and social infrastructure should be included under non-agricultural/ non-farm alternative development.
- Handicrafts and eco-tourism should be taken into considerations.
- Negative aspects of physical infrastructure and interventions should be considered.

Micro credit system for AD

Project level:
- Micro credit is a very important tool and a high priority for AD, that AD projects’ should support but not own.
- Such systems must be facilitated and supported in a way that ensures sustainability after the project is terminated.
- Micro credit systems for AD should strengthen communities’ ability to manage their own funds and possibly link to rural banking systems.
- AD projects should consider to provide seed money in kind or cash, but also stress the importance of a saving component.

Marketing strategies for AD products

Project level:
- Marketing is a major concern, which should
be considered by all projects.
- The project should only facilitate and support marketing, but not be a marketing agency.
- Incorporating food processing and other value adding activities in marketing should be considered.
- Market research should be given special attention and any introduction of new AD products should be based on sound research.

Cross border cooperation and trade for AD

Policy level:
- Establish joint mechanisms to facilitate the movement of AD products across borders.
- Encourage cooperation in exchanging experiences, know-how and resources across borders, if possible establish joint mechanisms to facilitate and institutionalize this.
- Expand the existing channels of cross border communication to serve drug control purposes as well for instance by establishing liaison mechanisms serving drug control issues.
- Electronic communications channels should also be applied.

Emerging challenges and roles of UN and international development agencies

Policy level:
- Different international external cooperation agencies and organizations and governments concerned should collaborate and coordinate more effectively.
- Co-financing should be well coordinated and well planned in advance.
- Facilitate awareness of alternative development as a top priority for national development.

Project level:
- AD projects should incorporate best practices from rural development and other sectors and UNDCP should if possible act as a depository for information of best practices within the region.
- Projects should be properly designed based on available resources and achievable objectives.

Other issues

Policy level:
- The exchange and sharing of AD relevant information and technology should be encouraged and continue to be strengthened through AD regional seminars like the present seminar as well as other means.
- UN should consider the large scale replication and sustainable continuation of good practices developed during project implementation.
- AD projects should strengthen the cooperation with and between national and regional research institutions.
- AD should be incorporated into national development plans.
- One important prerequisite for AD project implementation is stable and secure political conditions.

Project level:
- AD should be based on sound research and incorporate local knowledge.
- Environmental concerns should be taken into account in the design of all AD projects.
Appendices
Consultations and Sharing Best Practices: Seminar Proceedings

1. Introduction

The Regional Seminar on Alternative Development for Illicit Crop Eradication: Policies, Strategies and Actions was organized by the United Nations International Drug Control Programme (UNDCP) in cooperation with the Government of Myanmar as part of the sub-regional project on Alternative Development Cooperation in East Asia. The seminar is aimed at providing a forum for the delegations and participants to share experiences, lessons learned and good practices on policies, strategies and actions in the field of alternative development and illicit crop eradication. The seminar was attended by 47 delegates and participants including policy makers, senior drug control officers, alternative development specialists and project managers from China, Lao PDR, Myanmar, Thailand and Vietnam. Representatives from UNDCP Headquarters and Field Offices in the region and donor countries also participated in the seminar.

The seminar proceeded as follows:

Monday, 16 July 2001

2. Opening Ceremony

The opening ceremony of the seminar began with a opening remark by Police Major General Soe Win, Secretary of CCDAC, who expressed concerns over the increasing drug problems and commitment of the Myanmar Government to fight against illicit drugs. He also highlighted the importance of international cooperation for drug control and illicit crop eradication. The second opening remark was delivered by Colonel Win Hlaing, Colonel General Staff of Eastern Command, who enlightened the participants of the progress towards opium elimination in the Shan State stressing the importance of alternative development in the pursuit of this goal. The final speaker was Mr. Sanong Chinnanon, Alternative Development Cooperation Project Coordinator, who outlined the regional situation of opium production and emerging challenges. He highlighted the objectives and the expected outcomes of the seminar. On behalf of UNDCP, he also thanked the host country for their cooperation and support provided to the seminar.

Immediately after the opening ceremony the meeting convened.

3. Election of Chairperson and Approval of Meeting Programme and Agenda

The meeting unanimously agreed to elect the head of the Myanmar delegation, Mr. U Nyi Nyi to be Chairman of the meeting. The programme and the agenda were reviewed and approved by the meeting. The programme is shown in the Appendices.

4. Introduction to the Seminar

Mr. Sanong Chinnanon in his capacity as the coordinator of the seminar and the Alternative Development Cooperation in East Asia Project presented the regional overview of illicit drug situation, regional strategies for alternative development as well as specific objectives, activities and expected outcomes of the seminar.
5. Presentations of AD Programmes and Projects in the Participating Countries

The Chairman invited the representatives of the participating countries to present the overall policies, programmes and results of alternative development in their countries.

China

The first presentation regarding national AD policies, strategies and actions was made by Ms. Zhang Xia on behalf of the Chinese delegation. Since the Chinese experience is rather atypical and opium eradication was achieved through mass mobilization in the 1950s, the Chinese delegation chose to focus on Yunnan Province's experiences with emphasis on opium eradication efforts and cross border assistance on AD to neighboring countries especially Myanmar and Laos. The presentation of Chinese experience stimulated a wide discussion among the participants on the strengths and weaknesses of AD projects as well as their impacts on overall community development. The discussion illustrated a need for cross border collaborative AD strategies and increased market research to improve the economic incentives to farmers in order to support opium growers to move away from dependence on opium cultivation. The issue of the impact of globalization and international trade regulations on AD products and their market competitiveness were also raised.

Laos

The presentation from Laos was made by the head of delegation Mr. Kou Chansina, and Mr. Shariq Bin Raza who focused on the current national master plan and efforts on alternative development for illicit crop eradication. A large number of AD projects of various sizes are being implemented all across the country fully in accordance with the country's opium eradication strategy, which is first to provide farmers with alternatives to opium and then afterwards introduce an opium production ban with an increasing level of law enforcement as the alternatives becomes more evident and viable.

Myanmar

Myanmar's national AD experiences were presented by U Nyi Nyi and Pol.Lt.Col. Wa Tin who introduced the meeting to the AD efforts at present being implemented as part of the 15 year National Narcotics Elimination Masterplan. The presentation focused on the efforts being made to facilitate AD and opium eradication in the opium growing areas. It was clearly admitted that the obstacles to these efforts are tremendous since infrastructure on the opium growing areas is limited and the most of these areas had encountered the problems of insurgency and fighting among different ethnic minority groups. However, it was stressed that both infrastructure and security are rapidly improving preparing the ground for increased AD efforts in the opium producing areas.

Five projects made individual presentations. They were:

- UN Nonghet Alternative Development Project - Dr. Bounpone Sirivong
- Long AD Project - Mr. Krister Winter
- Beng AD Micro Project - Mr. Houmphanh Bouphavanh
- The Lao-German Drug Control Project - Ms. Andrea Kuhlmann
- Village-based Development Component in ADB Shifting Cultivation Stabilization Pilot Project in Huoaphan Province - Mr. Mahinada Kurukulasuriya

The presentations raised intensive discussion on the issues of marketing research and strategies, law enforcement approaches in AD projects and coordination mechanisms for AD efforts.

Two projects made individual presentations. They were:

- Wa Alternative Development Project - Mr. Xavier Bouan
- Support for Opium Eradication Programme in Kokang Region - U Kyaw Thu

The presentations were followed by interesting dis-
Discussions on issues of scale and complexity of AD projects as well as the most efficient and relevant utilization of national and international staff. The discussion also raised the challenges on proper AD project design and formulation that takes into account the local political and environmental conditions. The experiences of the Wa Alternative Development Project were discussed extensively in the respects of project complexity, commitment and support of Wa authorities, cost effectiveness of a large scale project, funding situation and impacts of budget cuts.

Tuesday, 17 July 2001

The Chairman opened the meeting and invited a representative from the Thai delegation to make a presentation of Thailand’s AD experiences and policies.

Thailand

The Thai Country paper was presented by Mr. Pittaya Jinawat who summarized Thailand’s 30 years experiences on AD and highlands development which has resulted in a decline in the annual opium production from approximately 150 tons a year in 1965 to a mere 4 tons a year in 2000. Based on this experience a number of key recommendations were made. It was especially stressed that the Thai AD experiences proved that AD projects could not solve the opium eradication problem without the government commitment to mobilize efforts and resources for the overall highland development.

A number of projects made individual presentations. They were:

- Doi Tung Development Project - M. R. Putrie Viravadiya
- Royal Project Foundation - Dr Santhad Rojanasoonthou

The presentations from Thailand sparked an interesting debate focusing on the extension of government services into the highlands. The participants discussed the issue of high investment costs to the opium reduction and highland development in the past 30 years and questioned whether the Thai experience could be replicated in the neighboring countries.

Vietnam

The Vietnamese country paper was presented by Mr. Ha Dinh Tuan who emphasized the rapid reduction in opium poppy cultivation which has been taking place in Vietnam during the last years. It was explained how rapid results were achieved through a policy of law enforcement targeting opium farmers and AD initiatives securing improved socio-economic conditions in opium producing areas, which are commonly the poorest areas of the country. The participants discussed the Vietnamese experiences on integration of a law enforcement strategy in AD initiatives. As part of a mis-conception on forced resettlement of ethnic highlanders, it was confirmed that forced resettlement was not an option for highland development in Vietnam given the fact that population density in the lowlands is very high.

The Ky Son AD project was presented by Leik Boonwaat, the former CTA of the project.

After the project presentation, the seminar discussed the experiences on involvement of NGOs and mass organizations in AD activities. The CTA of the Ky Son AD project stressed that he had very fruitful cooperation with the NGOs and mass movements present in the project areas regarding advocacy, primary prevention and the extension of knowledge into remote areas.

Two Additional Thai Projects

Two special Projects implemented in Thailand were presented to provide additional experiences and lessons learned on AD.

- Thai-German AD Project - Mr. Hagen Dirksen
- Participatory Technology Development to Strengthen Sustainable Agricultural Development - Mr. Prasong Jantakad

These presentations opened up for a discussion on the need for a longer term commitment of funding agencies and donor countries for AD in order to ensure sustainability of AD efforts. It was indicated that, based on the experience of the Thai-German AD project, a project duration of 2-4 years has proved too short to sustain the AD and opium reduction ef-
forts. The seminar also discussed the difficulty of fund-raising for AD projects and securing long term commitment from donor countries.

The final presentation of the day was about a research study on the Thai experience of opium poppy eradication during the last 30 years. The presentation was made by the researcher Mr. Ronald Renard who highlighted a number of interesting points from his research findings especially regarding the lack of knowledge about the hill tribes when the early projects were initiated, the dynamic structures of the projects and the Thai legislation concerning land use and ownership and citizenship of ethnic minorities. The study indicated that success indicators in the Thai AD efforts included visionary leadership, national unity and political will, commitment of ample resources and participation of people. The issue of extensive investment by the Thai Government and international community on alternative development in the past 30 years was discussed. The participants felt that the Thai experience was too costly a way to eradicate opium cultivation and other countries would not be able to mobilize such resources. Consequently, more cost efficient methods had to be developed. However, it was pointed out that the overall investment was aimed at comprehensive highland development with opium reduction as part for the objectives.

After this interesting exchange of viewpoints the Chairman summarized the discussions and closed the meeting for the day.

Wednesday, 18 July 2001

The day was utilized for a field trip taking the participants to among other venues an agricultural extension project driven by the Japanese NGO Karamosia, which made a very interesting presentation and took the participants to study the actual development activities. Karamosia aims to improve both education and agricultural output in the region. One of the tools to improve the agricultural output was the introduction of an organic fertilizer, which could be produced by utilizing agricultural by-products. The fertilizer did trigger a lively discussion among the participants, since it was quite labor intensive and it was consequently questioned if the results could be reproduced on a larger scale beyond the size of pilot projects. Please see the appendix on Karamosia for more information. The field trip also provided opportunity for the participants to observe living conditions of local communities and the environment of Inle Lake.

Thursday, 18 July 2001

6. Regional overview, group discussions and recommendations

Regional Overview

The last presentation of the seminar was made by Mr. Leik Boonwaat concerning a regional analysis of policies, strategies and actions on AD and illicit crop eradication. The presentation summarized the national experiences in the five countries participating in the seminar (China, Laos, Myanmar, Thailand and Vietnam) and outlined successes achieved as well as problems yet to be faced. The summary triggered a number of clarifications and the debate was at times really lively. Touching upon problems such as AD crops in remote areas, cross border cooperation and marketing.

After the last presentation the participants were divided into two groups for group discussions. Among the subjects to be discussed in order to make recommendations for good practices in the field were:

1. What is a balanced approach for AD
2. Agricultural alternative development
3. Non-agricultural alternative development
4. The role of micro credit systems in AD
5. Marketing strategies for alternative development products
6. Cross border cooperation and trade
7. Emerging challenges and roles of UN and international development agencies

After election of Chairman, each group discussed the main issues and recommendations related to the above topics. The group discussion continued until the afternoon when a plenary session was resumed for presentation of results and outcomes of the discussion. The seminar further discussed the key issues and recommendations proposed by each group. Details of the key issues and recommendations are shown in the concluding chapter.
7. Other businesses and follow up actions

7.1 With regard to the implications of seminar recommendations which was raised earlier, it was proposed that concerned programme/project managers or coordinators consider how relevant technical issues and recommendations at the practical level can be implemented in each programme/project. The issues and recommendations related to policy and programme/project design strategy which are beyond the control of programme/project managers should be communicated to concerned agencies and UNDCP Offices. The issues and recommendations at the global level should be proposed to relevant global forums for further consideration and deliberation.

7.2 The seminar agreed that UNDCP Regional Centre in cooperation with the resource person could edit the initial papers and seminar materials for further publication in order to extend sharing of experiences, lessons learned and good practices on AD and opium elimination to other concerned agencies.

8. Evaluation of the seminar

An evaluation of the seminar was administered at the last session before closing ceremony. An open ended evaluation form was used to obtain feedback from all delegations and participants. Results of the evaluation are shown in the Appendices.

9. Closing Ceremony

The closing of the seminar was initiated by the Chairman who invited the heads of the national delegations to deliver their closing remarks. They were followed by Mr. Sanong Chinnanon who reviewed the objectives and activities of the seminar. He highlighted the values of information and experiences each participant contributed to the seminar which made the forum a true learning and lesson sharing opportunity. On behalf of UNDCP Regional Centre, he thanked the delegations and participants for their tireless efforts during the seminar and the representatives from CCDAC were thanked in particular for their tremendous efforts in preparing and facilitating the seminar. Finally, the Chairman concluded and closed the meeting.
Elimination of Illicit Drugs is a National Duty for Myanmar.

Opening Remark by Police Major General Soe Win, Secretary of the Central Committee for Drug Abuse Control, Myanmar.

Distinguished members of the Shan State Committee for Drug Abuse Control, Representatives from the MOU Countries, Project Coordinators from UNDCP Regional Centre and Country Offices, Invited Guests Ladies and Gentlemen.

At the outset, I wish to extend a very warm welcome to all the delegates to Myanmar and to Taunggyi, the capital city of southern Shan State. At the same time, may I wish you all the best of health during your stay here attending this seminar.

On behalf of the CCDAC, I am pleased to be afforded with the opportunity to give this opening address at the Regional Seminar on Alternative Development for Illicit Crop Eradication: Policy, Strategy and Actions.

Initially, the venue for this seminar was to be Kyaing Tong in eastern Shan State. It was chosen as an appropriate venue because it is a region where alternative developments for illicit crop eradication are being implemented. However, taking into consideration of the heavy monsoon weather, communications and flight constraints, it was decided to change the venue to Taunggyi Aye Thayar Golf Resort Hotel. I certainly hope you all will like it here.

Today’s seminar, with regards to the project, is the first of its kind in the East Asia Region. It is fitting that the initial step on Alternative Development for Illicit Crop Eradication Policy Strategy and Action Seminar be started here in Myanmar. It is an appropriate venue among the MOU countries as Myanmar is the major producing country of opium in the East Asia Region. In this regard, we certainly look forward to learn a lot from the policies, strategies and actions that will be presented by experts and delegates from countries participating and various other agencies that are working in this field.

It is also the understanding that the UNDCP Regional Centre aims to enhance exchange of information and experiences and cooperation among the countries in the region through the implementation of this alternative development project.

The main object of the project is to enhance knowledge, skills and capacities of policy makers as well as in effectively implementing the alternative development activities particularly in China, Laos, Myanmar, Thailand, and Vietnam.

Presented by Police Major General Soe Win
The project inputs, activities, projected outputs were discussed, coordinated and decided upon only last year. Accordingly, the Seminar on Alternative Development for Illicit Crop Eradication Policy, Strategy and Actions was organized in Myanmar as the first activity of the project for this year. Representatives attending this seminar are high-level officials and it is foreseen that important and useful issues on policy, strategy and actions will be discussed here.

Please let me stress that the illicit crop eradication programs cannot be successfully carried out overnight. It takes time. Furthermore, it requires not only human resources and expertise but also financial and material resources. The most difficult part is changing the entrenched concept and attitude of the opium farmers. In addition, marketing strategies need to be considered beforehand for substituted crops. Lack of a market for their produce is one of the discouraging factors for farmers and leads to the failure of alternative development activities or crop substitution activities. Furthermore, the development in the transportation, communication, education and energy sectors is also a necessity. To realize this and make it work, technical expertise in various fields and coordination are crucial too.

Since 1988, the Government has designated the elimination of narcotic drugs as a national duty and has escalated countrywide anti-narcotics programmes and activities. In this major undertaking, the most important activities we have focused in the opium poppy cultivating border areas are appropriate crop substitution, income substitution and development of the infrastructure.

In Myanmar, illicit poppy cultivating areas are at the undeveloped border regions where the terrain is difficult, remote and mostly inaccessible. Consequently, these areas have been left behind in development from the mainstream of the country in terms of education, health and economy.

Likewise, our government has come to peaceful terms with the armed national ethnic groups and is working together for the eradication of the poppy by crop substitution, livestock breeding for income substitution in the respective Special Regions. In addition, infrastructure development programmes such as the construction of roads, bridges, communications, schools and hospitals are undertaken. At the same time, poppy farmers are educated on the evil consequences of drugs production and addiction. With technical and financial assistance, they are discouraged to continue poppy cultivation and encouraged to change their livelihood.

Income substitution, in lieu of income from opium poppy is created with substituted crops like rice, legumes, maize, wheat, sugarcane and other perennials like rubber, lychees, tea and coffee. Technical expertise, seedlings and fertilizer are also assisted. Livestock breeding is also encouraged with technical assistance in setting up of poultry and pig farming. Cattle and goats breeding are also supported. In this way we are trying to stamp out the habit of poppy cultivation gradually.

Finally, I wish to take this opportunity to inform you that we are at present implementing the 15-Year Narcotic Elimination Plan, which initiated in the fiscal year of 1999/2000. The master plan is divided into 3 phases each lasting 5 years, terminating in 2014.

The total budget estimated for the 15-Year Plan is over 33,588 million Kyats and 150 million US$ of which, an expenditure of 1,319 million Kyats and 1.5 million US$ had been spent in the First Year of 1999-2000. This master plan was drafted based on our own resources. It is universally acknowledged that the drug problem is faced by all nations and cannot be tackled by a single nation. In this regard, we look forward to assistance from the international community so that the objectives of the plan could be reached in a much shorter period.

While the central government is implementing the 15-Year Narcotic Elimination Plan, the national groups, in their own rights are also carrying out development programmes in the opium income substitution, cultivation, livestock breeding and economic sectors in their own Special Regions. A very positive and encouraging example of their activities is the establishment of an Opium Free Zone at Mongla in the No.4 Special Region of Eastern Shan State on 22nd April 1997, with the opening of an anti-narcotic Museum. It was a declaration to the world of their commitment and determination to get rid of the poppy cultivation and drug production.
Similarly, I am pleased to inform the seminar that the Kokant Region and the Wa Region leaders have pledged their regions will be opium free in 2002 and 2005 respectively. The Government together with the leaders of the national races will be putting out their best foot forward to realize these commitments and determinations.

In this connection, I am confident that this will be a very useful and effective seminar as participants from the MOU countries and UNDCP, will contribute and share their vast and rich experiences on alternative development, from which we can all gain important lessons and invaluable knowledge. It will be an opportunity for every participant to learn the disadvantages and advantages from these experiences of each individual country.

Conclusion

Again, I wish you all the best of health during the course of the seminar so that you will not miss the opportunity to take time out and enjoy sightseeing around Taunggyi and Inlay Lake.

Particularly, Inlay Lake is a scenic and unique area in Myanmar. The floating villages, markets, plantations and various pagodas are famous and a favorite spot for tourists. Also, the leg-rowing customs of Inlay Lake is unique in the world.

I am happy to know you will have one day out of the conference room to enjoy the local food together with the picturesque environment of Inlay Lake.

I am also happy that KARAMOSIA International, a NGO from Japan has invited all participants to give a visit and tour their project at Taung Bogyi. Karamosia International is implementing a project assisting in reforestation and greening of the Inlay Lake area that will be environmental friendly.

Last, but not the least, as the host of this first international conference to be hosted by CCDAC outside of Yangon at this venue, I wish to ask for your understanding and to bear with us if there are any shortcomings from our side. However, please do not hesitate to ask Colonel Wa Tin and CCDAC staff if you have any particular needs that we can attend to.
Opening Remark by Col.Win Hlaing, Colonel General Staff of Eastern Command, Myanmar.

Representatives from the five MOU countries, Coordinators from UNDCP regional and country offices, Invited Distinguished Guests, Director-General of the Myanmar Police Force and Senior Police Officials,

Please may I first wish you all the best of health and well being. Welcome to the Eastern Command.

I am honoured to give this statement at the opening of this important seminar on alternative development for Illicit crop eradication: policies, strategies and actions.

The Shan State (south) is a rugged and mountainous area and has a wet climate. Illicit opium poppy cultivation, which was inherited from the colonialist, is now being stamped out by the implementation of the fifteen years narcotics elimination plan. The plan was started in our area since 1999.

In accordance with the narcotic elimination plan, the first five years plan is 1999-2000 to 2003-2004. It involves the townships of KUNHEIN, MONGPAN, LINKHE, HSESAING, PHEKHONE and MONGKAING. The second five years plan is from 2004-2005 to 2008-2009 and involves HOPONE, MONGNAI and PINLAUNG townships.

The third five years plan is from 2009-2010 to 2013-2014 and involves KYAYTHEE, MONGSHU, NAMSANG, NYAUNG SHWE and LECHAR townships. Altogether 14 townships are involved in the 15 years narcotic elimination plan in the Shan State (South).

In the above townships the following activities will be implemented:
- elimination of cultivation and production of opium
- elimination of drug abuse
- law enforcement
- involvement of the local populace
- international relation

Conclusion

May I say that we are honoured to host this seminar in Shan State (South) because it is a recognition of the antinarcotic activities that is being implemented at present. I wish you all a pleasant stay.
We Look Forward to an Enhanced Cooperation.

Opening Remark by Sanong Chinnanon, Alternative Development Cooperation Project Coordinator, UNDCP Regional Centre.

Pol.Maj.Gen Soe Win, Secretary of CCDAC and Director of Myanmar Police Force, Col.Win Hlaing, Colonel General Staff of Eastern Command, Distinguished delegations and participants, Ladies and Gentlemen,

First of all, on behalf of the United Nations International Drug Control Programme and on behalf of all participants at this seminar, I would like to express my sincerest thanks to Pol. Mj. Gen. Soe Win and Col. Win Hlaing for coming to deliver the opening statements for the Regional Seminar on Alternative Development for Illicit Crop Eradication: Policies, Strategies and Actions. I wish to say that UNDCP has received full support and cooperation from CCDAC as well as other concerned agencies in organizing the seminar at this beautiful Aye Thar Yar Resort in Taunggyi. We are very grateful for your cooperation and assistance in making the seminar possible.

As we know, the fast increasing drug problems in this region have posed serious threats to our society. Despite continuing efforts of governments and concerned agencies to reduce illicit drug production, trafficking and abuse, Southeast Asia is still the second largest source of opium and heroin production with an estimate of 1260 metric tons of opium production in the year 2000 according to the UNDCP Global Illicit Drug Trends report. Opium production still exists in the remote areas of Myanmar, Laos, Thailand and Vietnam. In recent years, with increased alternative development activities and illicit crop suppression, we can see significant reduction in opium and heroin production in this region.

Early this year, Afghanistan, the largest opium production country, has declared to ban the poppy cultivation in the country. Recent unconfirmed reports indicate that there is a sign of declining in poppy cultivation in Afghanistan. If the strong enforcement of the Taleban government is to continue and major opium reduction has taken an effect there, it would be important for us to monitor whether or not the situation in Afghanistan will have an impact or balloon effect leading to an increase in opium cultivation in our region. In an attempt to eliminate narcotics crop cultivation, UNDCP will continue to work in close cooperation with the member countries in monitoring the illicit drug situation and providing alternative development for the communities in the opium cultivation areas.

The seminar this week intends to provide a forum for all of us here who have been working in drug control and alternative development to share information and experiences on policies, strategies and actions on alternative development and illicit crop eradication and learn from each other the good practices which have been created in various programmes and projects in the participating countries. I also hope that the seminar will provide an opportunity for the participants to get to know each other and support each other in the future drug control and alternative development activities. On behalf of UNDCP, I wish to take the opportunity to express my gratitude to the Government of Australia for supporting the seminar and other activities of the sub-regional project on Alternative Development Cooperation in East Asia.

Finally, I would like to express my appreciation once again to the government of Myanmar, particularly CCDAC, NATALA and the Shan State Police Force for all your support and assistance provided to this seminar. I wish to convey my special thanks to Pol. Col. Wa Tin from CCDAC and his team who have been working hard to make the best arrangements for the seminar. I also thank the hotel management for the excellent support provided to all of us. I hope we will have a pleasant stay and look forward to our fruitful presentation and discussion during this seminar.

Thank you very much
**Concluding remarks from heads of delegations**

**Mr. Song Shiyin, Head of the Chinese Delegation.**

“Mr. Chairman, on behalf of the Chinese Delegation to the Regional Seminar on Alternative Development for Illicit Crop Eradication: Policies, Strategies and Actions, I would like to express our sincere thanks to UNDCP, CCDAC and the participants for the successful achievements and efforts during the four day meeting that provided us with much experiences which will be useful for us. I would like to once again thank the Government of the Union of Myanmar, UNDCP and the participants.”

**Mr. Kou Chansina, Head of the Laotian Delegation.**

“Mr. Chairman, The seminar has been extremely useful and informative. Not only have we learnt much regarding alternative development but we have also been able to establish many professional contacts with working colleagues. I would like to express our sincere thanks to the organizers of the seminar and the host country Myanmar for the excellent organization and wonderful hospitality.”

**U Nyi Nyi, Head of the Myanmar Delegation and Seminar Chairman.**

“I would like to express our appreciation to UNDCP, the Australian Government and the delegates for enabling this important seminar to be achieved successfully. The seminar proceedings have been frank and comprehensive resulting in many friendly and productive relationships. We have gained a lot of experiences and knowledge during the seminar. However we are concerned about the balloon effect to opium production in Myanmar from the reported reduction of opium production in Afghanistan. Myanmar requires international assistance to eliminate opium production in the country. To try to do so by our selves will take time and effort. With the goal of 2014 set for the elimination of narcotics in Myanmar this leaves us with not much time. Compared to Thailand, Myanmar has limited time and international assistance. Myanmar is a Least Developed Country and we request the international and wealthy countries to help us in this important endeavor to eliminate opium poppy cultivation in our country.”
Mr. Pittaya Jinawat, Head of the Thai Delegation.
“Mr. Chairman, the seminar was a great opportunity and time to meet friends, brothers and sisters and to learn from each other. We all face the same problems and have the same goals. With good collaboration we can achieve success. I hope you will be able to visit Thailand where we will make you feel at home just as you have made us feel at home here in Myanmar.”

Mr. Ha Dinh Tuan on behalf of Mr. Dang Ngoc Hung, Head of the Vietnamese Delegation.
“Mr. Chairman, We would like to express our sincere thanks and appreciation to UNDCP, CCDAC and the Government of the Union of Myanmar for providing the opportunity to attend this important and helpful seminar to learn experiences from our neighboring countries. We hope to meet again at the next AD regional seminar in the near future.”
Delegations and Participants of the seminar
REGIONAL SEMINAR ON ALTERNATIVE DEVELOPMENT FOR ILLICIT CROP ERADICATION: POLICIES, STRATEGIES AND ACTIONS
16-19 July 2001, Taunggyi, Myanmar

PROGRAMME

Sunday, 15 July

Arrival of participants

Monday, 16 July

08:00-08:30 Opening and welcoming remarks
08:30-09:00 Coffee break
09:00-09:45 Introduction of the seminar and programme
09:45-11:00 Presentation of a country paper on alternative development and illicit crop eradication: policies, strategies and actions (China)
11:00-12:00 Presentation of a country paper on alternative development and illicit crop eradication: policies, strategies and actions (Laos)
12:00-13:00 Lunch
13:00-15:00 Presentation and discussion on best practices and lessons learned from ADB projects in Laos
  - Village-based development component in ADB Shifting Cultivation Stabilization Pilot Project in Houaphan Province
  - Beng Alternative Development Micro0Project
  - UN Nonghet Alternative Development Project
  - Drug Supply and Demand Reduction in Border areas of North-western Lao PDR
15:00-15:15 Coffee Break
15:15-16:15 Presentation of a country paper on alternative development and illicit crop eradication: policies, strategies and actions (Myanmar)
16:15-17:30 Presentation and discussion on best practices and lessons learned from ADB projects in Myanmar
  - Wa Alternative Development Project
  - Support for Opium Eradication Programme in Kokang Region

Tuesday, 17 July

08:30-10:00 Presentation of a country paper on alternative development and crop eradication: policies, strategies and actions (Thailand)
10:00-10:15 Coffee break
10:15-11:00 Presentation and discussion on best practices and lessons learned from Doi Tung Development Project
11:00-12:00 Presentation and discussion on best practices and lessons learned from the Royal Development Projects)
12:00-13:00 Lunch
13:00-14:00 Presentation of a country paper on alternative development and illicit crop eradication: policies, strategies and actions (Vietnam)
14:00-14:45 Presentation of the Ky Son Alternative Socio-economic Development Project to Replace Opium Poppy Cultivation
14:45-1500 Coffee Break
15:00-16:00 Presentation and discussion on best practices and lessons learned from the Thai-German Alternative Development Project
16:00-17:00 Presentation and discussion on best practices and lessons learned from the Sustainable Agricultural Development Project
17:00-18:30 Presentation of research study on sustainable alternative development and opium eradication in Thailand

Wednesday, 18 July

08:00-17:00 Field study visits to alternative development projects

Thursday, 19 July

08:30-10:00 Presentation and discussion on comparative analysis of policies, strategies and actions on AD and illicit crop eradication
10:00-10:15 Coffee break
10:15-12:00 Group discussion and recommendations:
  Balanced approach for AD
  Agricultural alternative development
  Non-agricultural alternative development
  Micro credit system for alternative development
  Marketing strategies for alternative development products
  Cross border cooperation and trade
  Emerging challenges and roles of UN and international development agencies
12:00-13:00 Lunch
13:00-14:00 Group discussion continued
14:00-15:00 Presentation of outcomes of group discussion
15:00-15:15 Coffee break
15:15-16:00 Presentation continued
16:00-17:00 Summary, evaluation and closing of the seminar

Friday, 20 July

Departure of participants

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At the end of the seminar the participants were given an open ended evaluation form, which included three questions. The participants were asked what they liked about the seminar, what they did not like and which recommendations they would have for future seminars. The majority of the participants returned the forms and the following analysis is based upon these answers. The evaluations made by the participants are generally very positive and none at all were generally negative. The outcome of the evaluation is analyzed below.

The positive aspects highlighted by the participants were most importantly:

1. The seminar was very successful in achieving its objectives especially lesson sharing and networking among AD practitioners. The seminar did build up understandings between participants and institutions. Plenty of experience and knowledge was exchanged.

2. The lessons learned and good practices developed in neighboring countries were exchanged among most participants and many explicitly highlighted, that they had gained practical knowledge and learned good practices, which they in the future would apply in the policies or projects they themselves were working on. Informative and comprehensive presentations from most participants.

3. The general arrangement of the meeting and the functionality of the venue was highly praised and so was the atmosphere in which the meeting was conducted. Logistics are well organized and excellent.

4. The presentations and discussion were generally described as frank and useful. It was also expressed by many participants that they were very satisfied with the selection of participants, which they saw as reflecting a high level of expertise around the topic. A good composition of participants who made important contribution to the seminar.

There were also comments from the participants for future improvement:

1. The representatives from the Wa authorities generally felt rather neglected as their names were not on the preliminary list of Myanmar delegation and there was no Wa presentation on the seminar programme.

2. Some participants received late nomination and information about the seminar which affected their preparation for papers and presentations. It would be better for us if we were informed earlier about this seminar, then we would have more time to prepare all the things better.
3. A number of participants also found that the plenary discussions were too long and more time should be used on group discussion preferable on more impact oriented group discussion. Country paper presentation is taking too long time, too short time for group discussions. Not enough focus and output-oriented discussions.

4. In case, one country had several project papers, there should be coordinated presentations to save time and to avoid duplication. “Too many presentations which repeat the same message, especially on Thailand: a lot of duplication and time spent”

The different participants also made a number of recommendation for future seminars:

1. Quite a number of participants suggested to institutionalize yearly AD seminars in order to facilitate lesson learning and sharing of good practices. Such AD seminars should be held alternately within the MOU countries: to exchange information on AD projects.

2. Specific important technical issues such as micro-finance and AD marketing strategies should be highlighted in future seminars to share good practices and discuss key issues and recommendations which would be useful for AD practitioners. AD seminars should produce packages of technical papers on agricultural alternative development to be applied by practitioners.

3. It was recommended to invite more representatives from donor countries to future seminars enabling them to get a better understanding of the problems faced by the regions AD policy makers and practitioners.

4. It was strongly recommended that there should be an organized follow-up to the good results the participants felt the seminar had provided.

5. A harder enforcement of the agenda and more time for group discussions preferably in smaller groups were recommended by a number of participants. Generally most participants recommended more time for such seminars and, if possible, also for practical field trips to provide opportunity for the participants to visit the remote AD project sites.

6. Some participants also recommended that future seminar secure more time for technical issues and questions with shorter country and project presentations.

7. In summary, the participants expressed a general satisfaction with the overall organization of the seminar and the quality of inputs and contributions each country and project provided to the seminar.
INTRODUCTION OF ORGANIZATION
KARAMOSIA was established in 1981 in Kagoshima Prefecture of Southern Japan. KARAMOSIA is a compound word of “KARAIMO” (KARAIMO is a Kagoshima dialect meaning Kagoshima specialty sweet potato, which has a symbolic connotation of grassroots) and “Asia”. Its initial work was based on activation of rural communities in Kagoshima through various international exchange programs, in cooperation with sectors such as local associations, universities, institutions, governments and business sectors of Southern Japan. Participants of these exchange programs eventually started community-based international cooperation through human resource development and technology transfer in various parts of Asia.

PROJECTS IN MYANMAR
In the Union of Myanmar, KARAMOSIA International operates two projects, one in Inle Region of Southern Shan State and another in Wa Special Region No. 2. In both areas, KARAMOSIA International introduces appropriate local-based integrated development, by maximizing potentials of human and natural resources through Symbiotic Development System, by applying KARAMOSIA technical networks in Southern Japan and other parts of Asia. Symbiotic Development System focuses on reproductive and regenerating agents in local technologies and resources, and explores the most effective ways to utilize limited resources in a sustainable manner.

Southern Shan State Comprehensive Development Program (ILSD)
ILSD consists of two projects in Southern Shan State:
- Inle Lake Symbiotic Development Project (Inle Project)
- Naung Kar Model Village Comprehensive Development Project (Naung Kar Project)

1) Inle Lake Symbiotic Development Project (Inle Project)
Inle Project attempts to undertake following multi-sectoral activities in order to break away from the vicious cycle of “population increase - environmental destruction - increasing poverty” and to achieve sustainable coexistent of human and nature. Activities currently undertaken are:

Organic Agriculture
- Douchakkin (local microbe) Compost Making
- Rice & Duck Farming Method
- Charcoal Acid as Organic Insecticide
- Agricultural Trainings and Seminars

Sustainable Forestry & Environmental Conservation
- Bio-tope Reforestation
- Sustainable and Integrated Reforestation
- Small Forest Movement
- Environmental Seminars

Alternative Use of local Resources
- Wind and Solar Hybrid Electric Generation
- Gully Control with Bamboos
- Utilization of Lake Sediment into Fertilizers (survey)

Education
- Scholarship to Inle Students
- KARAMOSIA Boarding School
- Support to School Infrastructure

Trainings
- Dispatching Trainees to Japan
Trainings and Seminars by Japanese Experts

Various Trainings and Seminars

Cultural Exchange

- Inle Students Exchange Program (Myanmar students to Japan)
- MBC-KARAMOSIA Exchange Students (Japanese students to Myanmar)
- Kagoshima University Agricultural Training

2) Naung Kar Model Village Comprehensive Development Project (Naung Kar Project)

Naung Kar village is situated in Pa-O Special Region No. 6 in Taunggyi Township, Southern Shan State. With cooperation of farmers and local administrators, Naung Kar Project attempts to undertake activities mentioned above in addition to improved local administration in line with agriculture-based development, capacity building and strengthening organization. Naung Kar village will be a model village for other parts of Myanmar, and experiences and knowledge will be shared with people from various sectors and areas through trainings and seminars at Naung Kar Training Center.

Wa Symbiotic Development (WSD)

WSD is based in Mong Phen Township of Wa Special Region No. 2. Due to geographical, climatic and economic reasons, opium cultivation continues to attract producers for main cash substituting activity. WSD believes that opium eradication cannot be tackled as is or in replacement with alternative income generation alone, but it should be placed in the wider spectrum of the improvement of the living conditions of villagers. Thus WSD is taking four-fold approaches to eradicate poverty situation of the region and to eradicate opium production:

- Increase in agricultural productivity
  - Introduction of compost and vegetable stimulant, improved agricultural techniques
- Improvement of living condition
  - Sanitation, production of household goods,
- Local industry development as alternative income
- Human resources development
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