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Follow-up to the implementation at the national, regional and international levels of all commitments, as reflected in the Ministerial Declaration of 2019, to address and counter the world drug problem**Conference room paper submitted jointly by Germany, Peru, Thailand and UNODC titled, “Promoting Sustainability in Alternative Development”****

Disclaimer: This report summarizes the discussions of the Expert Group Meeting but does not necessarily reflect the views of all participants.

Summary

Within the framework of a series of annual Expert Group Meetings (EGM) on alternative development, a virtual EGM was convened from 26–27 January 2022 to continue to share lessons learned, best practices and expertise. The virtual EGM also continued to promote dialogue on development-oriented drug control policies and programmes and the implementation of the United Nations Guiding Principles on Alternative Development, with the emphasis on promoting environmental sustainability in alternative development. The EGM series is co-hosted by the United Nations Office on Drugs and Crime; the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of the Federal Ministry of Economic Cooperation and Development (BMZ) of Germany; the Ministry of Foreign Affairs of Peru; the National Commission for Development and Life without Drugs of Peru (DEVIDA); the Office of the Narcotics Control Board, the Ministry of Foreign Affairs of the Kingdom of Thailand and the Mae Fah Luang Foundation under Royal Patronage. The virtual EGM provided a discussion platform on advancing development-oriented drug control policies by focusing on recent trends and developments, the relationship between alternative development, environment and drug economies, strategies to strengthen the value chain development, increased market access and commercialization of alternative development products, as well as other progress and challenges.

The virtual EGM brought together 96 participants, comprised of representatives from 15 Member States, representatives from regional and international organizations, civil society, academia and the private sector. This paper summarizes the main points discussed over the course of the meeting.

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** This document has not been edited.



I. Overview

1. Alternative development is one of the fundamental pillars of a comprehensive international drug control strategy and forms part of the broader development agenda. It aims to address the root causes of illicit drug crop cultivation – namely poverty and lack of development – by providing sustainable livelihood opportunities.
2. Previous EGMs have discussed alternative development in the context of the broader development agenda, sustainability and challenges, such as the ongoing COVID-19 pandemic. This year’s iteration is dedicated to the intersection of alternative development and environmental sustainability, as well as market access and commercialization of alternative development products.

II. Recent trends and research on Alternative Development

3. It was observed that reliable data is needed to efficiently allocate limited resources within alternative development programming and transparently improve policies on alternative development. It was also discussed that communities’ needs assessment of alternative development programmes should be multidimensional, covering health, education, mobility, infrastructure, economic status, etc. Moreover, the assessment should take into account relevant human development indicators, criteria related to environmental sustainability, including but not limited to the Sustainable Development Goals (SDGs).
4. Participants also discussed how to select and define beneficiaries of an alternative development programme. They agreed that the selection should not be limited to only the community involved and/or affected by illicit drug cultivation and trafficking but should target the whole area through a regional approach. Such regional approaches can also address concerns that alternative development programmes could set false incentives, particularly for small scale farmers, to start illicit cultivation as an entry point to receive support from the development programme (“moral hazard”).
5. Furthermore, participants highlighted that there is a need to understand the characteristics of youth involved in illicit drug crop cultivation and other illegal activities to better engage them in development endeavours. A study of youth in Colombia, Ecuador, Mexico, and Peru illustrated that youth in illicit drug crop cultivation areas tends to see drug crop cultivation as a promising source of income that could provide stable employment. Furthermore, this study shows that they also perceive most legal crops as high-risk and low-profit alternatives and see the public state as absent. At the same time, those striving for legal and stable long-term alternatives were found to often look into the agricultural sector in their region. Thus, relevant support should include access to markets, technical training, strengthening organizational capacity and price stability of agricultural produces.
6. There was a general concern that many young people distrust governments due to lack of public services and link state presence to forced eradication. Participants agreed that alternative development programmes should take into account particularities of young growers of illicit drug crops, the specific territorial conditions, social norms and dynamics, as well as individual factors such as education and land rights.
7. The upcoming 2022 World Drug Report will focus on the immediate challenges of the climate crisis with the inclusion of a thematic chapter highlighting the link between environmental degradation, illicit drug crop cultivation and alternative development, at both the policy and implementing level in addition to an overview of the world drug situation.
8. Some participants expressed their interest in further monitoring and exploring opportunities to align alternative development programmes with recent policy developments in the field of medical cannabis and industrial hemp.

III. Alternative development, the environment and drugs economies

9. Participants agreed that development-oriented drug control policy needs to include responsible environmental management practices and protection. As part of a comprehensive and sustainable strategy, alternative development should consider continuing and strengthening measures to operate in an environmentally sensitive manner, such as reserving watersheds, reducing chemical usage, protecting wildlife, waste management, renewable energy, reforestation in protected areas and circular economy. Therefore, the environmental component should be initially embedded in alternative development programme design and allocated a significant budget for implementation from the beginning.

10. Alternative development, the environment and illicit drug economies are closely interlinked. Not only does illicit drug crop cultivation frequently contribute to deforestation, but illicit synthetic drug production and mass eradication of drug crops with chemical substances also pollute waters and soil. On the other hand, even licit alternatives can be harmful to the environment when not complying with environmental best practices. Therefore, the integration of sustainable environmental approaches and ecological protection into alternative development programming is vital.

11. Alternative development measures can be strengthened with the inclusion of human rights instruments, such as the International Guidelines on Human Rights and Drug Policy, the enhancement of land tenure and access to natural resources, the continuous promotion of gender equality as well as the use of participatory approaches.

12. Case studies presented over the course of the virtual EGM illustrated the increasing trend of illicit drug crop cultivation taking place in protected areas, such as national parks and reserves. Since traditional agricultural development is legally constrained in these areas, the alternative development approach needs to adapt to these circumstances and associated legal challenges.

13. The application of Payments for Ecosystem/Environmental Services (PES) and the possibility to utilize carbon credit schemes were presented at the EGM as viable, diversified income-generating livelihood options. PES schemes may even arise as a feasible non-agricultural livelihood, especially for communities involved and/or affected by illicit drug crop cultivation in protected areas and natural reserves, where traditional agricultural alternatives are restricted.

14. Participants took note of the examples from Colombia and Peru in implementing PES schemes in the context of alternative development projects. In both countries, PES schemes provide income substitution, in the form of monetary and in-kind contributions to farmers involved in illicit drug crop cultivation. The enhanced protection of the environment, in turn, has the potential to improve the quality of the farmers' agricultural produces.

15. It was stated that the private sector is adapting to the global carbon emission neutrality and the net-zero pledge and is seeking efficient ways to offset their carbon emission to meet national regulations and goals. Therefore, there is an opportunity for alternative development programmes to encourage communities to preserve forests and gain additional income from the sales of carbon credit collected from forest protection. Participants encouraged to explore ways to link this initiative with the regulations and goals of each country. Participants noted that although the sales of carbon credits may not generate enough revenue to compete with illicit activities, it could complement alternative development efforts as a supplementary source of income. Furthermore, promoting environmental protection could be a new funding source for alternative development programmes as developed countries committed to provide 100 billion USD annually to developing countries on climate finance during the 26th United Nations Climate Change Conference of the Parties (COP26).

IV. Strategies to strengthen the value chain, increase market access and commercialize AD products

16. Participants agreed that market access is vital to the success of alternative development programmes and to ensure inclusive economic growth of participating communities.

17. A case study on a direct trade model in coffee commercialization in Colombia from a social enterprise was presented as a potential tool for commercialization of alternative development products. Direct trade can empower farmers by sharing market insights and representing them in consumer markets. The presented business model addresses environmental harm by relying on true cost accounting and allocating value to good environmental practices, hence rewarding environmental compliance.

18. The involvement of the private sector can support communities in building their organizational and managerial capacity and lead to increased profitability, sustainability and scalability of alternative development projects. It was suggested that private sector companies should take into consideration the vulnerability of communities and be willing to absorb risk and provide technical support and guidance. An involvement in the early stages of alternative development projects can be important to allow for continuous transfers of knowledge and trust building.

19. The experience from Peru emphasized that apart from ensuring product quality and cooperation with the private sector, identifying niche markets at an early stage could be important for the success of alternative development products. Examples from Peru and Thailand point out that such markets have the potential to capitalize on green business trends, for example by putting value on organic and fair-trade certifications.

20. A case study from Lao People's Democratic Republic showed that the establishment of a cooperative empowers communities and increases their economic capacities. This enables communities to capture more activities along the value chain. Furthermore, the cooperative model fosters a sense of ownership and boosts community participation in the decision-making process. Participants agreed that providing farmers with opportunities to develop their entrepreneurial skills is beneficial and allows them to further develop their own business.

21. Moreover, successful alternative development programmes require support and engagement from all stakeholders. The central government, municipalities and local government units could support the commercialization of alternative development products, e.g., through facilitating trade regulation, offering allowances, tax exemption, subsidies and encouraging new entrepreneurs, especially women groups, as illustrated by a case study from Albania.

22. The case of Thailand emphasized that products stemming from alternative development projects require business management like regular commercial goods. That is, products from alternative development projects must comply with quality standards, create a brand identity, be socially and environmentally responsible, seek collaboration for new knowledge and expand marketing channels.

23. Participants agreed that a strong product proposition and sound marketing strategy are necessary for alternative development products to be successful. In addition, e-commerce and online marketing are valuable tools to support business growth, particularly considering the COVID-19 pandemic. The private sector remains a strong partner to build e-commerce capacities.

24. Participants also took note that crucial factor for communities to capture more of their products' value chains is access to natural resources, especially through land tenure. In particular, land rights provide an essential foundation for the community to commit to long-term investments, such as setting up infrastructure and processing facilities.

V. Conclusion

25. The virtual EGM continued the sharing of best practices and experiences from alternative developments from all over the world. Importantly, the EGM provided space to discuss the interface between drug economies, alternative development and the environment. The importance of factoring environmental considerations into project design and opportunities for communities to benefit from environmental protection were discussed and explored. Hence, environmental protection was understood to be a key component of communities' livelihoods and will continue to shape the design of alternative development projects aiming at reducing the illicit cultivation of drugs.

26. To further align development-oriented drug control with the 2030 Sustainable Development Agenda, the EGM discussed responses to the current climate crisis, youth engagement and opportunities for household income-diversification through environment-related mechanisms.

27. Moreover, to ensure that alternative development products can compete in the global market, private sector collaboration and the application of business strategies were agreed to be paramount. The EGM identified that alternative development interventions should consider social, cultural, economic, political, educational and environmental aspects. The inclusion of human rights instruments, the continuous promotion of gender equality as well as participatory approaches must be streamlined across project phases.
