Rethinking the Approach of Alternative Development
Principles and Standards of Rural Development in Drug Producing Areas

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Preface

For decades, the term “Alternative Development” in international drug policies has been widely understood as an instrument of drug supply control, the results of which have mostly been measured in terms of the reduction in drug crop cultivation. However, in many areas such results were only of short duration or were neutralised by the displacement of crops and the migration of farmers.

It can be argued that the root causes for the appearance and flourishing of drug economies have not been addressed adequately within alternative development projects. This is because instruments designed to target fragile state institutions, poverty, violence and conflicts – main facilitating factors for drug economies – have not been sufficiently acknowledged as such. Consequently, the sustainability of alternative development efforts has been frequently weak and the overall reduction in drug crop cultivation has not been enduring in many cases.

The Federal Ministry of Economic Cooperation and Development of Germany (BMZ) has funded and implemented alternative development projects in Asia and Latin America for more than two decades. This includes projects in Afghanistan, Bolivia, Laos, Myanmar and Peru. Based on the experience drawn from these projects, the BMZ has developed an internationally recognised integrated approach to rural development in drug producing areas. This approach has been acknowledged both within the framework of the EU and the UN system. The BMZ approach to alternative development does not focus primarily on the short-term reduction of drug crops, but rather targets the improvement of human development indicators and framework conditions in drug cultivation areas. The main objective of the German approach is to reduce in a sustainable fashion the vulnerability of regions towards the proliferation of drug economies.
The Alternative Development concept and the double target problem

For many years, the United Nations (UN) and many of its member states affected by drug crop cultivation have propagated the concept of Alternative Development (AD). It has been implemented within the context of development cooperation by countries affected by major consumption of drugs of organic origin and other drug-related problems such as conflict and violence. The AD approach is based on the assumption that a lack of development perspectives is often the root cause of drug cultivation. Accordingly, AD projects aim to support farmers cultivating drug crops such as coca and opium poppy in establishing alternative options of agricultural production to secure their livelihood (Berg 2003).

The first experiences gained in the 1970s and 1980s with projects that narrowly focussed on substituting drug crops for other products were predominantly negative. Therefore, the AD concept was gradually widened and comprehensive approaches were developed in order to contribute to sustainable conversion of drug crop cultivating areas.

At the UN General Assembly Special Session (UNGASS) on the World Drug Problem in 1998, the UN General Assembly defined AD as a rather broad concept compatible with the positions of a broad array of UN member states: The term was defined as “a process to prevent and eliminate the illicit cultivation of plants containing narcotic drugs and psychotropic substances through specifically designed rural development measures in the context of sustained national economic growth and sustainable development efforts in countries taking action against drugs, recognising the particular socio-cultural characteristics of the target communities and groups, within the framework of a comprehensive and permanent solution to the problem of illicit drugs.”

However, the AD approach is still a point of controversy when discussed as part of the international debate on drug and development policy. The double targeting of AD is particularly criticised:

- AD is frequently understood as a measure of drug supply control that aims to reduce drug crop cultivation on the one hand
- and on the other hand to promote sustainable rural development and to reduce poverty

Many critics consider this linkage to be an almost irresolvable dilemma. Practice has shown that AD projects, in the best-case scenario, are effective if understood as promoting development at a local level. This is especially the case when particular development principles and standards are maintained. However, these projects are unable to reduce overall drug production: Like many other drug control measures, they frequently result in relocation effects, geographically shifting drug production on a national or regional level, but not reducing global output volumes. This empirical finding has been barely reflected in the ongoing planning and newly designed logical frameworks of AD projects. In contrast, the target of eradicating drug crops

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Poor infrastructure in remote drug cultivating areas frequently impedes the marketing of alternative products. While derivates from coca and opium poppy are extremely durable and can be commercialized in the cultivating regions, alternative agricultural goods often lack the logistic requirements for storage, processing and transport. Extreme climatic conditions further aggravate this situation.
was frequently prioritised over development goals, which considerably impaired the project results’ sustainability and effectiveness.

The weighting of targets frequently underestimates the functional logic of how drug economies work. Even now, some governments reflect this bias by continuing to demonstrate a preference for drug crop substitution. Drug economies flourish because the framework conditions permit them to do so — poverty, violence, weak political and judicial systems, absence of public institutions and control mechanisms, well-established trafficking networks for drugs, and the lack of infrastructure and
access to legal markets are the main factors pushing farmers to grow drug crops. Therefore, as experience shows, only those AD projects that foster development in drug producing areas in a broader fashion may contribute to both reducing local drug crop cultivation and improving local development indicators.

The different approaches to AD are evident in a corresponding range of terminology. While various UN member states still refer to Alternative Development, some governments, international organisations and NGOs now prefer to speak of “alternative livelihoods” or “sustainable livelihoods”. Nevertheless, due to the pervasiveness of the term AD, many states – including Germany2 – continue to use it when referring to rural development projects in drug producing areas.

The extensive cultivation of coca and opium poppy can almost exclusively be found in regions of fragile statehood with pronounced corruption and violence. The absence of state institutions in marginalized drug cultivating areas enables relevant actors to cultivate and trade opium poppy and coca sometimes unchallenged.

In many cases, drug cultivation causes severe environmental damage. Parts of the rain forests in Latin America and South-East Asia are cleared through the use of slash-and-burn for fields of coca or opium poppy. Monoculture plantations as well as excessively applied fertilizers and chemicals further erode the soil.
2 | What makes Alternative Development so difficult?

Measured in terms of the abovementioned goals, the results of AD projects have often been unsatisfactory or poorly sustainable. Neither drug reduction goals nor development objectives have been successfully achieved in the expected manner. What are the main reasons for the poor performance outcomes of AD projects?

Conflicting targets: In many cases, AD projects have lacked a clear and coherent strategy, frequently due to a conflict between drug supply control and development goals. Drug control and development policies often contradict each other. This is the case, for example, if the eradication of drug crops is made conditional upon the delivery of development support, which diminishes the income of poor small-scale farmers and causes their livelihood systems to disintegrate. At the same time, many implementing agencies lacked and continue to lack consistent project implementation guidelines or standards in the field of AD. Incoherent strategies make it difficult to measure the success of AD projects; development and drug control indicators compete with each other. While reduced drug crop cultivation has often been considered the core indicator of success of AD projects, this fails to take into account the entire development policy dimension of the AD approach.

In many cases, the latter can be attributed to the fact that not development, but rather law enforcement agencies are in charge of AD projects due to the legal implications of drug cultivation. These agencies, however, frequently do not command in-depth development and project implementation expertise.

Simplistic thinking: Even though early AD experiences have shown the limits of orthodox drug crop...
understand small farmers' reasons and incentives for cultivating drugs. This has led to poor results of project activities aimed at reducing overall production volumes.

**Moral hazard:** Many AD projects have narrowly focussed on specific target groups. Often, male farmers engaged in drug crop cultivation receive preferential treatment, while both women and farmers not working in drug crop cultivation are not eligible for project support, implying a strong moral hazard to engage in the drug economy. A similar moral hazard is set when coca or opium poppy farmers receive financial remuneration for refraining from drug crop cultivation, but other farmers in the project area, usually equally poor, do not qualify for such supportive actions.

**Lack of coherence:** Repeatedly, AD projects have lacked a sufficient consideration of various cross-cutting issues linked to AD. Gender, poverty, violence and ecological aspects have too rarely been included in project designs. Frequently, this has implied a negative impact of project activities on related issues, e.g. the creation of ecological hazards due to monocultures of alternative crops. This sort of neglect has significantly impeded the projects’ coherence with other development objectives such as sustainability and aid effectiveness.
A. Principles of alternative and rural development in drug producing areas

- Long-term strategies, not short-term efforts: AD is about reducing the dependency of farmers on illicit drug economies in the long term, not about a short-term reduction in the supply of illicit drugs. The evidence gathered over the decades long experience of German and European development efforts in cultivation areas shows that AD projects may only be successful if they are based on realistic premises and if their goals are not exclusively linked to drug supply reduction thresholds.

- Rural development in drug producing areas: AD should be understood as a means of co-
in the east Afghan province of Nangarhar, the last years have seen a considerable reduction of the previously high level of opium poppy cultivation. This region features wheat and vegetables as some of the most important alternative goods. Wheat production has been able to increase food security in the region as well as provide a legal source of income for many rural households. Livestock plays an important role in helping farmers work the soil. Meanwhile however, opium poppy cultivation has increased particularly in the southern regions of the country.

- **Changing settings, not addressing crops**: AD should be implemented in step with reforms of the institutional, legal, commercial and agricultural setting in which illicit economies flourish. It is only by changing the favourable conditions for drug economies that the dependency of farmers on the illegal drug economy may be reduced and a contribution may be made to the long-term conversion of illicit crops into legal ones. Therefore, AD should be based on a comprehensive approach to rural development.

- **Avoid repression**: AD should not be combined with forced eradication. Combining AD with eradication has not proven to yield sustainable results regarding the volume of coca or opium poppy cultivation, since eradication efforts are neutralised by the displacement of crops and the migration of farmers and day-labourers. At the same time, forced eradication tends to target farmers and their livelihoods, not overall drug production volumes. It may trigger food shortages and environmental damage, undermine trust in local communities and tend to aggravate social conflicts. If, however, drug crops are eradicated, alternatives need to be in place beforehand in order not to deprive farmers of their livelihood (proper sequencing).

- **Non-conditionality and voluntariness**: AD should not be made conditional on prior drug crop eradication: Implementing development programmes in a drug producing area should not be made dependent on whether and to what extent drug crop areas have been previously eradicated. This kind of conditionality may be perceived as a disguised form of forced eradication with the same negative external consequences as mentioned before. The reduction of drug crops should be a consequence of development processes and not a requirement. Therefore, crops should be eradicated on a voluntary basis and in agreement with the affected persons. Transition payments and subsidies making farmers dependent on the authorities and creating a strong moral hazard for drug production should be avoided.

- **Do-no-harm**: AD projects should be designed, implemented and monitored in a conflict-sensitive manner, since most illicit crop culti-
Bolivia accounts for the third-highest coca production worldwide. Although to a certain extent, cultivating coca for traditional purposes is legal in Bolivia, the government is aiming to reduce surplus production through alternative (so-called integral) development measures. Given the often low level of food security in Bolivian coca cultivating areas, together with international partners the government also promotes the cultivation of food crops such as potatoes. This is supposed to improve the nutritional situation of rural households.

B. Standards for the design and implementation of alternative and rural development projects in drug producing areas

- **Mainstreaming in overall development strategies:** AD projects should be understood as an integral element of overall development strategies (agricultural policy, business/economic development, fight against poverty) and not singled out as drug control policies. They need to be closely linked to the development plans of the involved state ministries and institutions.

- **Donor coordination:** AD strategies should be based upon a broad coalition of implementing agencies and the long-term commitment of national and international partners. If more than one international donor is part of an AD project, their activities should be coordinated, although this can hardly be observed in practice. Moreover, an important requirement for the successful implementation of AD projects is a strong political commitment of all actors towards the strategy.

- **Sufficient funding and long-term commitment:** If the necessary resources are not provided, AD projects are often likely to fail, especially if funding is only available over the short term. Due to the transition periods necessary for the conversion of illicit crops into licit ones, usually taking several years, longer-than-usual funding is necessary for rural development in drug producing areas. The duration of successful AD projects, particularly in the agricultural sector, has often been up to ten years or even longer.
Depending on the altitude and climate, cocoa and coffee are relatively lucrative alternatives to coca crops. Many alternative development projects aim to certify cocoa or coffee according to international standards. Certified cocoa or coffee products can be traded as high-quality commodities and are able to obtain higher prices.

Accordingly, bilateral and multilateral donors should place their financial planning on a long-term and flexible basis.

- **Baseline studies and regular evaluation**: AD projects need to be regularly evaluated in terms of socio-economic development indicators in order to compensate for mismanagement or other negative developments. To efficiently evaluate and measure the outcomes, a baseline study needs to be conducted before the project begins. However, due to the multi-causal set of factors leading to the proliferation of drug economies, the frequent economic bias of baseline-studies should be widened and broader methodologies, such as the livelihood approach (GIZ 2011), should be applied.

- **Ownership**: AD projects should firstly address the deficits and development potentials of the particular households, cooperatives and production associations involved. This is essential to being able to successfully address the root causes of drug economies without putting at risk the target groups’ livelihood systems. In doing so, the strategy needs to be adapted to the specific development potentials of the project area. AD projects must not be pressed into a “standard package”. Using baseline studies and the livelihood approach to design projects is therefore crucial to adapting project activities in accordance with local conditions. In addition, the projects should have a participative character: Suggestions, experiences and needs of farmers and civil society organisations need to be incorporated. The situation of women and children, in particular, needs to be taken into account due to the gender-specific division of labour common in drug economies.

- **Market access, development of local markets and of non-agricultural income sources**: Producers supported by AD projects need to be able to efficiently access the markets with their products, preferably through direct commercialising chains bypassing costly intermediaries. In many
cases, developing local and regional markets can be more promising than promoting access to external markets. Thus, if possible, projects should not focus solely on export products as an alternative to drug crops. Apart from local and regional buyers, cooperating with bigger domestic chain stores (if available) in many cases has proved a successful model for promoting local production chains. Productive projects, that is, projects promoting alternatives to drug crops, should encompass agricultural as well as the non-agricultural sectors, while also considering aspects of food security, the latter frequently being weakly pronounced in drug producing areas. Efficient local or regional credit systems may be considered in order to support alternative business models as well as local and regional markets.

- **Local governance:** Local institutions, organisations and producer cooperatives should be supported and strengthened to enable them to effectively accompany and assume a leading role within AD strategies. State weakness is a main driving factor for flourishing drug economies. Thus, if central governments perform deficiently on a local level, subsidiary governance bodies turn out to be crucial to addressing drug-related problems. Empowering such local institutions may be facilitated, for example, through capacity development programmes.

- **Access to land:** A frequent driving factor behind drug cultivation is the lack of sufficient arable land for the growing of alternative crops. Since the financial yield of drug crops per acre is usually higher, small-scale farmers are more likely to engage in drug cultivation. Therefore, land tenure issues should be taken into account when designing AD activities. This includes determining legal titles for land tenure, their equal distribution and tenure security over the long term.

- **Capacity development and training:** Capacity development is crucial to securing the sustainability of project efforts and facilitating knowledge transfer.

- **Accounting for environmental aspects:** In ecologically sensitive areas, it makes sense to incorporate forest and soil protection efforts into the programme designs. Coca monocultures, for example, should not be substituted with other large-scale monocultures that may imply similar environmental damage such as soil erosion, desertification and the endangering of biospheres.
References and further reading


Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH (2006b): Lessons Learned from Alternative Development in South-East Asia: Briefing Paper on the Internatio-