



UNITED NATIONS  
*Office on Drugs and Crime*

## THEMATIC EVALUATION OF UNODC ALTERNATIVE DEVELOPMENT INITIATIVES

Independent Evaluation Unit

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The team would like to thank all of those individuals who collaborated with the evaluation exercise.

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### ***In brief...***

UNODC has accumulated a considerable amount of experience after decades of implementing alternative development (AD) projects. Given the limitations the organization faces, such as insufficient funding and a project approach, the evaluation finds that a total rethink of its AD initiative is required. Under UNODC leadership AD could evolve from its current position as a marginally supported and little honoured social safety net into a progressive economic development program with measurable, positive, cost-effective results. This revitalization is dependent on the willingness of UNODC administrators, staff and the donor community to focus on AD as a holistic process, not a series of detached string of “pilot projects”. UNODC needs a systematic and strategic approach to AD, a comprehensive and coherent implementation plan, and a commitment to procedural excellence that will guarantee UNODC to realize AD’s full potential. AD should either be properly funded or another approach found that will deliver results more effectively.

Even if UNODC withdraws from field activities, it retains its unique role as the voice of the United Nations and Member States in drug and crime control. No other UN agency can fulfil this role, regardless of the implementation modality chosen.

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### Note to Readers

This report speaks of AD goals, AD strategies, AD programs and AD projects as being technically and conceptually different from each other. A **goal** is the desired end result. A **strategy** is a multi-faceted, long-term approach to realizing goals. A **programme** is a multi-activity plan of action that is derived logically from a goal using the chosen strategy. A programme is conceptually higher than a project. A **project** is a specific activity to achieve objectives outlined in a goal statement. A project exists within a programme; a programme exists within a strategy. A strategy is a plan to reach a goal.

## Glossary

AD	Alternative Development.
ATS	Amphetamine type stimulants are synthetic drugs including speed and ecstasy.
CND 45/14	A resolution of the United Nations Commission on Narcotic Drugs passed in 2002 that reiterates the importance of AD in the control of illicit drugs.
CTA	Chief Technical Advisor. One of several possible titles for the lead officer on a development project.
Demand reduction	Suppressing the use of a substance and thus reducing the size of the market.
Goal	The desired end result.
KOWI	The Kokang and Wa initiative
NEX	National Project Execution, a modality for indirect management of projects in which the host government is provided funds to undertake the work.
NGO	Non-Governmental Organization. May be a national or international group.
Programme	This report distinguishes AD projects, AD programs and AD strategies as being technically and conceptually different from each other. A program is a multi-activity plan that follows logically from a high-level goal. A program is conceptually higher than a project.
Project	A specific activity to achieve objectives outlined in a goal statement. A project exists within a program.
Strategy	A multi-faceted, long-term approach to realizing goals.
Supply reduction	Suppressing the cultivation or production of a substance and thus reducing its availability in the marketplace.
UN	United Nations considered as a whole
UNDP	United Nations Development Programme. The main rural

development agency in the UN system.

UNFDAC United Nations Fund for Drug Abuse Control.

UNGASS The short name used for the *Political Declaration and Action Plan on International Cooperation on the Eradication of Illicit Drug Crops and on Alternative Development*, adopted by a United Nations General Assembly Special Session in 1998. The UNGASS resolution, among other things, outlines the United Nations policy on Alternative Development projects and the responsibilities of Member States to support AD.

UNODC United Nations Office on Drugs and Crime. In the past 30 years, drug control efforts within the UN have been undertaken by several different agencies including the following: . In project documents one finds UNFDAC (United Nations Fund for Drug Abuse Control), UNDCP (UN Drug Control Programme), UNODCCP (United Nations Office of Drug Control and Crime Prevention) and occasionally UNIDCP (United Nations International Drug Control Programme). UNODC was formed by merging the earlier UNDCP with the Centre for International Crime Prevention. For simplicity, this report refers to all of the above as UNODC unless an earlier name is needed for clarity.

USAID US Agency for International Development, the main international development agency of the US government. Generally speaking the US government undertakes AD using the professional resources of USAID or the Narcotics Affairs Section of the US Department of State. The focus of these two agencies is different as is the professional background of their staffs.

# **Executive Summary**

## **1. Background**

The United Nations Office on Drugs and Crime (UNODC) works with the international community and Member States to take action against illicit drug production, trafficking and crime. The United Nations and other international agencies have undertaken various forms of rural development initiatives that aim at reducing and eradicating the production of illicit drug crops for about 30 years. The mandate for UNODC and its predecessor agencies to undertake drug control and especially Alternative Development (AD) is articulated in the United Nations General Assembly Special Session (UNGASS) 1998 Resolution S-20/4 E and United Nations Commission on Narcotic Drug (CND 45/14) documents. A historical analysis of these initiatives shows that the concept of AD has evolved over the last 30 years. UNODC has adopted a project approach as its preferred implementation modality to this day.

The initial rural development activities designed to curb drug production and promote licit economic activities that involved crop substitution began in the 1970s. This approach was followed in the 1980s by Integrated Rural Development (IRD). IRD attempted to address the broad socio-economic and infrastructural development issues as a basis of creating conditions for licit economic development. This approach was expensive and met with limited success. Alternative Development was then developed and viewed as a unique development approach that addressed problems in drug dependent economies. Today AD has evolved even further and now encompasses sustainable livelihoods.

UNGASS defines AD as a process to prevent and eliminate the illicit cultivation of crops through rural development measures within the context of sustained national economic growth. The ultimate goal of AD is to help shape a set of conditions which, given sufficient time and growth of the licit economy, could lead to permanent behavioural change in drug producing areas. AD aims at creating conditions for those who give up growing illicit drug crops to participate in licit economic activities and hence permanently give up growing drugs. UNODC's AD projects have placed more emphasis on measuring the reduction of drug crop acreages than the impact on the livelihoods of beneficiaries, although there are exceptions.

## **2. Purpose and Objectives**

The main purpose of this Thematic Evaluation was to review Alternative Development strategies in different regions and countries to determine if there was a common understanding of AD within UNODC, as well as to assess the appropriateness of its strategies. The evaluation is expected contribute to UNODC strategy development in this area.

In addition, the evaluation assessed the outcomes and sustainability of selected Alternative Development interventions with a view to defining lessons learned and best practices. Ongoing, as well as recently concluded projects were reviewed.

## **3. Methodology**

The Thematic Evaluation used information already available (e.g. evaluation reports, Project Progress Reports, existing literature on AD etc.), and findings from the country reports and the project evaluation reports produced as part of this exercise.



In addition to document reviews, the evaluation team conducted field visits and interviews with relevant key informants. Field visits (Lao PDR, Viet Nam, Pakistan, Thailand, Myanmar, Colombia, Peru and Bolivia) were conducted to collect information to complement and refine information already available, as well as to produce country reports as an input to the final comprehensive report. The major sources of information were semi-structured interviews with different stakeholders, by using open-ended questions.

The evaluation team consisted of five consultants and two IEU evaluators.

## **4. Limitations**

The evaluation faced various limitations. The field visit in Lao was postponed because of a regional meeting that coincided with this exercise. One project site in Colombia was not visited because of security concerns. Further, the consultant responsible for reporting on Colombia and for writing the Latin America Regional Report failed to deliver acceptable products. This failure affected the timely execution of this evaluation and resulted in missing information in some instances. Fortunately, the Lead Evaluator visited Colombia in the course of the Evaluation to collect necessary information.

## **5. Major Findings**

The key findings of the report are organized in the following three categories:

- A. Alternative Development as a Discipline
- B. Alternative Development as practiced at UNODC
- C. External Relations and Synergies

### **A. Alternative Development as a Discipline**

**Finding 1.** There is no universally accepted definition of Alternative Development operating around the world across agencies and writers, despite the UNGASS definition of 1998<sup>1</sup>. At least four views are found: that AD is a multifaceted strategic (or systemic) approach to a problem, that AD is one leg of a stool along side eradication, interdiction, policing and education, that AD is a series of discrete projects (or pilot projects), and that AD is equivalent to crop substitution. (Pages 5-8)

**Finding 2.** A drop in illicit crop production is not the only indicator by which success can be measured. Nonetheless, there is little empirical evidence at the macro level that the rural development components of AD reduced the amount of drug crops cultivated. There is an attribution gap between AD interventions and reduction of illicit crop cultivation at a national level. Agriculture and social interventions are not seen to overcome the incentive pressure exerted by the market conditions of the illicit drug trade. Where reduction in drug cropping occurs, other factors, including general economic growth, can be identified as alternate explanations for the change or as contributory factors to change. Further, intimidation and coercion by traffickers are another constraint that AD has to deal with. (Pages 8-10)

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<sup>1</sup> Resolution S-20/4 E “Defining alternative development 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 economic growth and sustainable development efforts in countries taking actions against drugs, recognizing 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”.

**Finding 3.** From a technical perspective, the rural development methodologies used in AD projects are not notably different from those employed in other development settings. They need to be informed by good development practices, but must be adapted to local conditions. (Pages 10-11)

## **B. Alternative Development as practiced at UNODC**

**Finding 4.** There is limited information available on the impact on the livelihoods of beneficiaries of UNODC AD projects, as opposed to crop reduction data. According to the information available, beneficiary's livelihoods show an improvement due to AD interventions. (Pages 11-12)

**Finding 5.** Eradication is less politically acceptable than AD and there is little evidence that eradication reduces cultivation in the long-term – drug crops move, production technologies evolve, and total production decreases very slowly if at all. (Pages 12-13)

**Finding 6.** UNODC has used projects as a modality to implement AD emphasizing the first part of the UNGASS definition: “[...] through specifically designed rural development measures”, and less on the second part “[...] in the context of sustained national economic growth and sustainable development efforts”. (Page 13)

**Finding 7.** UNODC's AD interventions have played a vital and very positive role in the formulation of drug control policy in many countries. (Pages 13-14)

**Finding 8.** Despite some efforts at improvement UNODC working and funding processes hinder efficient implementation of AD activities. (Pages 15-17)

**Finding 9.** UNODC is less likely to produce significant impact with AD at the macro level, given the resources it receives for AD. (Pages 17-18)

**Finding 10.** UNODC field projects are not designed within realistic budget expectations. Changes from agreed designs, many of which are not accompanied by formal adjustment of indicators, mean that there is no clear way of measuring performance or improving effectiveness. (Pages 18-20)

## **C. External Relations and Synergies**

**Finding 11.** There is a gap between what UNODC is expected to do and what it is enabled to do. National governments, not UNODC, are responsible for developing and implementing national drug control and economic development programs. UNODC has no control over the funds donors will provide. Drug policy planning and administration take place within complex international and national political systems that UNODC can influence but not control. UNODC's role is best described as catalytic. (Pages 20-21)

**Finding 12.** UNODC has not used the Office's unique leadership position to its best advantage to mould the diverse views of the donor community into a strategic consensus leading to coherent action on AD. This has negative effects on funding for UNODC AD projects. (Page 21)

**Finding 13.** UNODC has not taken full advantage to identify opportunities to partner with other organizations on AD and rural development and in some cases misses opportunities for

multiplying the impact of investments. This process should begin at the design stage of project development. (Pages 21-22)

## **6. Outcomes**

The report identified several outcomes, including:

- Some AD interventions, in particular road construction, have proved to have lasting positive impacts in remote rural areas.
- Several technology introductions accomplished in AD projects, in particular the gabion weir technology<sup>2</sup> in Southeast Asia, have proved their worth repeatedly in bringing irrigation water to farmers fields at a very low cost. This is something UNODC AD could have capitalized on and hence created better impacts.
- The development of marketing skills that is the focus of the many Latin America projects is starting to have a positive impact and this trend is likely to continue into the future. This is an area that UNODC should both monitor and study closely and hence replicate best practices.
- UNODC has been unable to build a consensus of opinion around AD. The Office needs to invest in building consensus especially among donors. Success will depend on UNODC's ability to build this consensus and hence mobilize and galvanize donors to provide resources.

## **7. Sustainability**

The interventions mentioned above as having had important positive outcomes and impacts can be considered sustainable, in particular road building and gabion weir construction. Some other interventions undertaken in AD projects, however, are unlikely to be sustainable. These include paying teachers' salaries in Lao PDR and non-agricultural careers training in Myanmar. Unless complementary activities to support market system development and trade are undertaken, the sustainability of the market interventions in Latin America will be limited. UNODC should note the successes, but also deal with shortcomings if its AD interventions are to become sustainable.

- Sustainability of AD will only be achieved if all involved look to development as a long-term endeavour. Donors must realize this and provide UNODC with the necessary support to stay until the work is complete. A drop in illicit crop production is not the only indicator by which success can be measured. Development indicators must be the basis for which to assess impact and sustainability.

## **8. Lessons Learned**

Some lessons learned and best practices from this evaluation include:

- It appears unwise to implement AD projects under a national executing modality where partner organizations lack familiarity and experience with the ambitious and demanding nature of AD approaches, or where qualified local staff is not available or unwilling to work in a remote area. Where strong implementing partners are available, UNODC may take a secondary role;

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<sup>2</sup> The technology used to construct a series of small dams for irrigation.

- AD activities are found to be effective only when they are culturally appropriate. In Latin America, working with farmer's organizations is a necessary condition for success. In Asia, adjusting program activities to accommodate ethnic differences is necessary;
- Knowledge management is key to improving organizational performance and learning;
- To improve their effectiveness, UNODC AD initiatives must support and strengthen communication and cooperation between organizations and actors in the construction of a better future in drug affected regions;
- It is seen to be essential that UNODC attract implementation partners as early in the program formulation process as possible. To maximize the attractiveness of cooperation, UNODC will need to advocate interests much wider than drug control;
- The Kokang and Wa initiative (KOWI) as an innovative partnership mechanism is a model that should be replicated.

## 9. Constraints

Some constraints identified from this evaluation include:

- Weaknesses in project design and monitoring systems hinder adequate monitoring and evaluation of AD interventions.
- Inadequate performance monitoring by Headquarters, Field Offices and on-site project staff negatively affects project implementation;
- AD is not well defined in UNODC and the Office has trouble articulating a strategy and communicating it to donors and partners. There is no framework or common language for AD worldwide;
- Inadequate resources and a limited capacity at UNODC and an inability of donors to commit funding to long-term projects and skill development;

## 10. Recommendations

The evaluation makes only one recommendation, as all other steps that UNODC can take must follow from it:

*The Executive Committee of UNODC should immediately commission an externally managed, high-level strategic exercise to determine how the Office will continue to address the AD goals as spelled out in its mandate. The participants in this exercise must be willing to challenge every aspect of the Office's rationale to AD, its approach to design and mode of implementation, soliciting and allocating funding, monitoring and evaluation. No question should be taboo, including whether UNODC has the capacity to properly execute its mandate to undertake AD in the UN system. The Executive Committee should then decide upon the course of action to be taken, based upon the recommendations of the review.*

Following the adoption of a comprehensive strategy, UNODC will need to redesign and realign AD operations top-to-bottom within the Office to meet the prerequisites for

implementing the chosen strategy. This redesign would include, but not limited to, the Office's relationships with donors, and to the processes of programme/project design, staffing and implementation.

A fundamental principle of Results Based Management, "managing available resources to achieve results," must be applied in UNODC. In reality, the results that UNODC promises are not adjusted to match the resources that materialize once projects have begun and therefore UNODC cannot deliver on its promises. In particular the 50 per cent rule and others that result in a misalignment of expectations and budget resources must be reconsidered.

## **11. Options for Action**

As a contribution to the high-level review exercises the evaluation team has identified some options that may be considered. The team members of this evaluation are not in agreement on the best course of action for UNODC, with at least one member arguing that UNODC should stop all rural development projects as soon as possible. However, the team believes that it is the responsibility of the Office to formulate its own strategy. The following list of strategic options may not be comprehensive but it outlines the possibilities most clearly seen at this writing.

- A. UNODC continues to directly implement field projects on AD.
- B. UNODC continues to support AD projects but out-sources implementation.
- C. UNODC shifts its focus on AD to research and knowledge management aspects and is established as a Centre of Excellence for AD.
- D. UNODC focuses on promoting policy dialogue while maintaining a repository of knowledge about AD best practices.
- E. UNODC expands AD activities to embrace the wider agenda of the Millennium Development Goals to address poverty as a root of crime.

## **12. Conclusions**

Alternative Development planning and administration takes place within complex international and national political systems that UNODC can influence but not control. The political debate on AD in the international press and scholarly publications is fierce and some question UNODC's ability to confidently take on AD as a drug suppression tool.

UNODC has gained ample experience in AD and should have a comparative advantage over other international actors. Despite this the Office faces a series of challenges.

The primary problem is that there is no commonly accepted definition of AD in the world community or within UNODC. While UNGASS provides a definition of AD, UNODC still does not have a strategic vision of AD and thus its efforts are fragmented.

UNODC has not supported its AD effort with adequate programme or technical staff. Staffing at the Sustainable Livelihoods Unit at Headquarters is inadequate to support UNODC's AD initiatives. UNODC's funding is precarious and complex internal procedures hamper the timely and efficient implementation of projects even further.

UNODC is at a crossroad regarding its AD initiatives. The challenge before it must be tackled with timely and appropriate decisions.

# 1. Introduction

## 1.1. Background

1. The original United Nations drugs agencies, the Division on Narcotic Drugs and the Secretariat of the International Narcotics Control Board, worked from the 1950s and into the early 1980s on international drug-control treaties and drug-related research. These separate agencies monitored the status of drugs and drug control in Member States and worked on drug treaty issues. In 1970, as worldwide heroin use grew, the United Nations Fund for Drug Abuse Control (UNFDAC) was formed to undertake small, grant-funded projects related to demand reduction and anti-trafficking. UNFDAC was restructured and renamed the UN International Drug Control Programme (UNDCP) in 1991. In 1997, UNDCP was merged with CICP (the Centre for International Crime Prevention) to form UNODCCP, the Office for Drug Control and Crime Prevention. In 2002, the Office was reorganized and again renamed as the UN Office on Drugs and Crime (UNODC).

2. UNODC works to strengthen international action against drug production, trafficking and crime. UNODC provides statistics on drugs and crime and helps Member States to draft legislation and train judicial officials and carries out research and analytical work to increase knowledge and understanding of drugs and crime issues and expand the evidence-base for policy and operational decisions. It assists Member States in the ratification and implementation of international treaties, development of domestic legislation on drugs, crime and terrorism, and provides substantive services to the treaty-based and governing bodies.

3. UNODC also manages field-based technical cooperation projects to enhance the capacity of Member States to counteract illicit drugs, crime and terrorism. UNODC's mandate to undertake Alternative Development (AD) is spelled out in UNGASS resolution S-20/4 E<sup>3</sup>, CND 45/14<sup>4</sup> and other official documents. The Office provides technical advice on Alternative Development to Member States through its Field Offices, Regional Advisers and a Vienna-based AD expert. Between 1979 and 2004, the Office funded more than 120 technical cooperation projects aiming at reducing or eliminating illicit crop cultivation.

4. Modern drug control agendas focus on *demand reduction*, that is, suppressing the use of a substance and thus reducing the size of the market, and *supply reduction*, suppressing the cultivation or production of a substance and thus its availability in the marketplace. *Interdiction* and *policing* are activities that use the law and law enforcement to prevent the spread of drugs and drug precursor chemicals from place to place. *Public education about drugs* warns people of the physical, legal and economic consequences of growing, trafficking and using drugs.

5. Permanent change in farmer behaviour so as to prevent the planting of drug crops requires the following: 1. Reducing the coercive power of the drug industry and 2. Improving economies so as to assure adequate and stable income from licit activities. It is important to note that farmers will stop drug cropping even if it means a modest drop in income, provided

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<sup>3</sup> The United Nations General Assembly Special Session (UNGASS) – *Action Plan on International Cooperation on the Eradication of Illicit Drug Crops and on Alternative Development*. The resolution, among other things, outlines the United Nations policy on Alternative Development projects and the responsibilities of Member States to support AD.

<sup>4</sup> CND 45/14 is a resolution of the United Nations Commission on Narcotic Drugs passed in 2002 that reiterates the importance of AD in the control of illicit drugs.

other social and economic supports are in place. It is also important to note that farmers will not abandon the illicit economy, even for profitable alternatives, if they are threatened by dangerous criminals. Business stability is the base for a licit economy and requires a legal and juridical system that sustains the business community and markets. The development of a licit economy requires a stable society where people are assured of their rights and in which behavioural norms casting drugs in a bad light can develop. Unfortunately, the practice of AD in the past 30 years has paid little attention to the systemic causes of drug cultivation and instead has focused (at times exclusively) on providing assistance to small groups of farmers in remote locations.

6. UNODC's AD outcome indicators have, historically, put more emphasis on the reduction of illicit crop production acreage and less on measuring the change in beneficiary's livelihoods. There is evidence that this has begun to change in the past few years.

7. In the course of 30 years, strategic thinking behind Alternative Development has evolved as various approaches to supply reduction have been tested. At the beginning of the 1970s the international community supported crop substitution projects, first in Thailand and later Pakistan. The idea of these projects was to replace narcotic crops with other, legal crops. After many failures it became clear that the economics of crop substitution required massive and long-term subsidization of non-drug crops (e.g. Thailand). Additional development measures are necessary to tackle not only crop production, marketing and transport problems, but also the underlying economic, ecological and social problems that support an illicit economy and cause farmers to engage in illicit drug crops.

8. An integrated rural development (IRD) approach against drugs was adopted in the 1980s. IRD attacked a broad range of social problems simultaneously yet still focused almost exclusively on problems at the local level. Their long-term impacts were uneven, with some interventions being more effective than others in particular circumstances. IRD projects in the 1980s, whether for drug control or with other goals, were so complex that they were management nightmares and impossible to evaluate. They were also expensive, generally requiring large international staffs and a large complement of local counterparts. IRD projects in remote drug producing regions remained particularly difficult because, despite expensive infrastructure improvements, unfavourable market conditions persisted.

9. In mainstream development, and to some extent in AD (as will be discussed in detail later), a more cost-cognizant approach to development emerged. Today, good development practice dictates that a holistic view of the situation be refined into a progressively more focused consideration of the situation in order to choose the best among many possible interventions to use limited project funding and available skills in the most effective way to achieve a set of narrowly specified results. UNODC has, on paper at least, embraced this notion for its AD interventions but the practice of AD, particularly in Asia, has not moved far from the earlier IRD approach for reasons that will be discussed later in this report.

## **1.2. Purpose of the Evaluation**

10. The main purpose of this Thematic Evaluation was to review Alternative Development strategies in different regions and countries to determine if there was a common understanding of AD within UNODC, as well as to assess the appropriateness of its strategies. The evaluation is expected contribute to UNODC strategy development in this area.

11. In addition, the evaluation assessed the outcomes and sustainability of selected Alternative Development interventions with a view to defining lessons learned and best practices. Ongoing, as well as recently concluded projects were reviewed.

### **1.3. Scope of the Evaluation**

12. This Thematic Evaluation of UNODC's Alternative Development Initiatives has reviewed the results of AD activities implemented by UNODC in Asia and Latin America regions and in seven countries to determine if a common understanding of AD exists within UNODC, and to assess the overall appropriateness of AD as a development and drug control strategy. In addition, the evaluation exercise looked at the outcomes and sustainability of selected AD interventions with a view to defining lessons learned and best practices.

13. The evaluation examined various factors such as:

#### **A. Alternative Development Strategy**

- i. What is AD and what does AD mean in UNODC;
- ii. The role of AD at UNODC and how it has been implemented.

#### **B. Role of UNODC**

- i. The organizational structure of UNODC and its appropriateness for the task;
- ii. The adequacy and appropriateness of needs assessment and selection of project sites;
- iii. Organization and management of backstopping, monitoring and evaluation.

#### **C. External Relations and Synergies**

- i. The most effective use of financial resources for AD, particularly in relation to other actors, donor agencies and their funding strategies;
- ii. Public relations with donors, recipient countries and the general public;
- iii. Linkages with other institutions working in related fields;
- iv. Evolution of Alternative Development strategy and the way forward.

### **1.4. Evaluation Methodology**

14. The team for this worldwide Thematic Evaluation was comprised of five independent consultants. The UNODC Independent Evaluation Unit oversaw the implementation of the activity and staff from the Unit participated in the evaluation of Peru, Myanmar, and Pakistan. Over the course of about 6 months, the evaluation team reviewed relevant documents and conducted field visits in Bolivia, Peru, Colombia, Lao PDR, Myanmar, Viet Nam and Pakistan. Team members visited national capitals and project sites and conducted interviews with project beneficiaries, implementers, project partners and donors, using open-ended questions. The Thematic Evaluation used information already available (e.g. evaluation reports, Project Progress Reports, existing literature on AD etc.), and findings from the country reports and the project evaluation reports produced as part of this exercise.

15. The evaluation team conducted formal project evaluations in Viet Nam, Lao and Myanmar to assess design, implementation and outcomes. The team members reviewed reference documents on Thailand and Afghanistan



16. The final report was developed as follows:

**Base:** Regional meetings were held in two locations, Bangkok (Asia team members) and in Lima (Latin American team). Documents were collected, distributed and read by the team members in both regions followed by discussions via Internet. Evaluation instruments were developed.

**Country level:** A total of seven countries were reviewed for the present evaluation. In three countries, Lao PDR, Myanmar and Viet Nam, formal project evaluations were conducted. For each of the seven countries reviewed, a country report was produced as an input to the final report.

**Regional level:** Two regional level reports were prepared, one for Latin America and one for South East Asia.

**Global level:** The final global evaluation report was produced based on consultations between Latin America and Asia teams, country reports, and regional reports produced as part of the exercise.

## **1.5. Limitations**

17. The evaluation faced various limitations. The field visit in Lao was postponed because of a regional meeting that coincided with this exercise. One project site in Colombia was not visited because of security concerns. Further, the consultant responsible for reporting on Colombia and for writing the Latin America Regional Report failed to deliver acceptable products. This failure affected the timely execution of this evaluation and resulted in missing information in some instances. Fortunately, the Lead Evaluator visited Colombia in the course of the Evaluation to collect necessary information.

## 2. Major Findings and Analysis

18. Findings and data are presented in section 2.1 with analysis and supporting information following in section 2.2.

### 2.1. Findings

#### A. Alternative Development as a Discipline

**Finding 1.** There is no universally accepted definition of Alternative Development operating around the world across agencies and writers, despite the UNGASS definition of 1998<sup>5</sup>. At least four views are found: that AD is a multifaceted strategic (or systemic) approach to a problem, that AD is one leg of a stool along side eradication, interdiction, policing and education, that AD is a series of discrete projects (or pilot projects), and that AD is equivalent to crop substitution.

19. After 30 years it would seem that the world community would agree on what Alternative Development is. Unfortunately, interviews with AD practitioners and policy makers, and examination of written materials from many sources confirm a lack of agreement on what AD is, on how AD should be implemented, and on what results should be expected from AD. The various uses of the terms, "Alternative Development", "process" and "measures" very much depend on the writer's point of view with policy theorists, donors, national governments, local officials (including army and police officers) and even villagers, having different perspectives on the meaning of AD. Four major themes can be identified in the discussion:

- i. AD is a multifaceted holistic, systemic, strategic approach to a complex problem.
- ii. The UNGASS approach in which AD is the leg of a stool with interdiction, policing, eradication and education as the other legs.
- iii. AD is a series of discrete rural development projects or pilot projects.
- iv. AD is no more than a new name for crop substitution.

20. There are no specific dates by which to identify the evolution of rural development interventions from crop substitution through IRD to AD, the term "Alternative Development" is commonly used as a catchall.

21. The current debate, however, is increasingly being referred to as "development in drug environments". The four themes provided of AD are not mutually exclusive. AD in UNODC is the *terme de rigueur* and projects are the universal mechanism for delivery. Only in Afghanistan is UNODC not involved in rural development projects.

#### *i. Strategic umbrella: AD is a holistic approach*

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<sup>5</sup> Resolution S-20/4 E "Defining alternative development 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 economic growth and sustainable development efforts in countries taking actions against drugs, recognizing 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".

22. One group of writers promotes AD as an extended (10-15 year) holistic process of social and economic development that, by directly and indirectly addressing the systemic reasons that farmers grow drugs, leads to the permanent elimination of drug crops and a drug-based economy.

23. David Mansfield (2005), expert on AD, states “Conceptually the main point of difference is one of is development an end in itself (with reductions in illicit drug crop cultivation an externality of a holistic development process that includes creating the enabling environment for wider economic growth and extending the writ of the state) or is it a means to negotiate a reduction in drug crop cultivation (an approach of conditional assistance). The response to this question shapes the mechanisms of delivery. If it is the former then we are typically looking at mainstreaming an analysis of the causes of illicit drug crop cultivation (and how these differs by socio-economic group), as well as drug control objectives, into national development programmes (AD - or as it has moved on conceptually within this model to AL - as an outcome). If it is the latter a geographically discrete project intervention will suffice. Clearly the latter approach has a far more limited in terms of lasting change and outreach but it is easier from the perspective of donor or UN agency delivery”.

24. As a long term, holistic strategy, AD embraces a long list of activities including land tenure, business law, international trades issues, civil rights enforcement, education, health, etc. **AD when viewed from this perspective includes economic development, eradication, interdiction, education and policing as integral sub-components of the AD process.** As a systemic approach, AD should begin long before coercive measures are started so as to prevent and mitigate economic hardship during the process of economic realignment toward a stable licit economy. In this view, AD should continue, even after drug crops are gone, until the economy is robust enough to prevent reinvestment in drug crops.

25. AD, when viewed holistically, should be part of a nationwide strategy for poverty elimination that focuses on the maturation of a just civil society and on the growth of small and medium sized businesses that recycle money in the economies of drug growing areas. **In this approach, projects are only methodological tools used toward specific ends.** This broad conceptual approach to AD is seen in the widely published writings of Chouvy (2004), Mansfield (2002), McCoy (2004), Kennefick and Morgan (2003), and Berridge and Edwards (1981). Members of this evaluation team strongly support a strategic view of AD with Bechtstadt (2005), in particular, arguing that eradication and interdiction are subcomponents of AD and that breaking the power of drug traffickers is of particular importance in reducing coercion to grow drugs.

*ii. The UNGASS mandate: AD is a leg of a stool.*

26. The most commonly quoted definition of AD is derived from the Political Declaration and Action Plan on International Cooperation on the Eradication of Illicit Drug Crops and on Alternative Development, adopted by the Special Session of the General Assembly in 1998 (UNGASS) and seems to support AD as a holistic activity. UNGASS defines Alternative Development 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, recognizing 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."*

27. Seldom quoted, however, is the preceding paragraph that says,

*"...effective crop control strategies can encompass a variety of approaches, including Alternative Development, law enforcement and eradication."*

28. **In this view, AD is an equal and separate component of a drug control program.** The UNGASS definition and description of AD as rural development measures distinct from eradication and law enforcement is further supported in 2002 by the Commission on Narcotic Drugs, Resolution 45/14: The Role Of Alternative Development In Drug Control And Development Cooperation, which lists "comprehensive measures such as Alternative Development, law enforcement and eradication" against drugs.

29. UNGASS and CND 45/14 texts, by specifying that AD is one of several separate components of the anti-drugs strategy, predisposes the drug control community to view the components separately. So, for example, we find that even the most progressive thinkers use the term Alternative Development to describe a component of something else:

- The government of **Lao PDR** calls its anti-opium program the "Balanced Approach to Opium Elimination" and lists the components as 1. Alternative Development, 2. Demand reduction, and 3. Law enforcement;
- The National Drug Control Strategy of Peru consists of four elements: 1. Reduction of drug consumption and rehabilitation of drug addicts, 2. Interdiction of illicit drug trafficking and related crime, 3. Alternative Development, environmental protection and rehabilitation of damaged ecosystems, and 4. Eradication of illicit cultivation. The Peruvian strategy is implemented through five programs: a. Prevention and rehabilitation, b. Alternative Development, c. Environmental protection, d. Eradication, e. Interdiction and prevention of money laundering;
- UNODC in **Bolivia** cites eradication, complemented by AD, as being the main focus of the drug control program. A report prepared for US Agency for International Development in Bolivia, cites 1. Interdiction, 2. Eradication and 3. Alternative Development as necessary components of a drug suppression program.

*iii. AD is a project*

30. Although CND 45/14 and UNGASS imply that AD projects should only be undertaken where needed, in practice, UNGASS' use of the phrase "rural-development measures" is commonly taken to mean "rural-development projects" and the definition of AD is too often reduced to a simple equation: **AD = time and geographically limited, externally-funded projects**. This simplification is most often heard in conversations with UNODC field officers and officials of national governments. The discussion begins with the national strategy that includes AD as one of several components of drug control approach. Then, a map is presented showing the regions where illicit crops are grown. It is explained that law enforcement and eradication are underway across the illicit crop zone and that interdiction and drug awareness programs are underway nation wide. But when the discussion turns to AD, the official will explain that AD only is underway at the sites of externally funded AD projects. Villagers certainly understand that AD, if they have heard of it at all, is a local

project that they either participate in or do not. **In this context, AD at least in Asia is not a part of the national economic development strategy, nor is AD seen to complement national growth.**

*iv. AD as a synonym for crop substitution*

31. At the farthest conceptual remove from AD as a holistic strategy, **AD is merely a new name for crop substitution.** Although less frequently seen today than previously, one contemporary example of this use is found in the Lao-American Integrated Rural Development Projects (funded by the US Narcotics Affairs Section in Lao PDR and currently underway). The project lists activities as: 1. Road Construction 2. Demand Reduction, 3. Agriculture and Alternative Development (which in this project is promotion of cattle and pig banks and five high value crops, 4. Public Health 5. Education, Teacher Training and Gender 6. Food For Work.

**Finding 2.** A drop in illicit crop production is not the only indicator by which success can be measured. Nonetheless, there is little empirical evidence at the macro level that the rural development components of AD reduced the amount of drug crops cultivated. There is an attribution gap between AD interventions and reduction of illicit crop cultivation at a national level. Agriculture and social interventions are not seen to overcome the incentive pressure exerted by the market conditions of the illicit drug trade. Where reduction in drug cropping occurs, other factors, including general economic growth, can be identified as alternate explanations for the change or as contributory factors to change. Further, intimidation and coercion by traffickers are another constraint that AD has to deal with.

32. Based on the empirical evidence, we find that the objectives of preventing investment and reinvestment in drug crops have not been met by rural development initiatives. Despite massive expenditures over 30 years, AD interventions have little apparent effect in slowing the movement of drugs from one region to another in response to localized suppression efforts. Where cultivation has been suppressed, often trafficking has increased and traffickers from one country practice their skills across international borders. Without policing, it is widely observed that investment in drug crops increases rapidly in response to demand. Evidence for this finding come from data on drug supplies and demand supplied by UNODC, the government of the United States, and respective national governments. To summarize:

- It is difficult to measure the effect AD interventions have on the total area under cultivation. Far more data is available on the results of forced eradication techniques. Total coca production in the Andean region had been decreasing for three years, until a slight increase in 2004. In Colombia the trend remained downward, whereas in Bolivia and Peru, the area under coca cultivation increased;
- Huge tracts of Colombia have been developed for coca in the past 15 years. Coca leaf production grew from 40,000 hectares in 1990 to about 160,000 hectares in 2000 dropping to about 80,000 hectares in 2004, in response largely to extensive eradication activities. The contribution of AD to this decrease is difficult to measure;
- Opium production in Afghanistan fell to its lowest under the Taliban in 2001. However, following the fall of the Taliban in late 2001, production increased rapidly despite international intentions to prevent it. Now opium production represents up to 60 per cent of the national economy;

- Poppy production has been steady at low levels in Pakistan for some years but recent reports suggest that production is rising again. Farmers continue to oppose opium eradication and suppression. The Pakistan military and paramilitary use force to suppress opium in some tribal areas, approaching these regions only in armoured vehicles;
- Bolivia's drug control program was helped by a surge in worldwide coffee and cacao prices but farmers are reinvesting in coca as prices for these substitute crops fall.

33. Even on a geographically limited scale, based on aggregate data, UNODC's rural development interventions cannot be proved to have reduced drug cropping. A clear example of this can be found in the Peru Coca Cultivation Survey of 2004, where the amount of area under illicit cultivation in areas where AD projects are present has remained unchanged.

34. There are three main constraints to the analysis:

35. **First**, an examination of the chronological pattern of drug production taken from official sources such as UNODC's annual drug surveys indicates that drug crop production rose in the 1980s and 1990s in response to improved markets regardless of the presence of rural development projects. From 1995 onward the area under drug crop cultivation (although not necessarily the value of the crops produced) dropped in many places irrespective of the presence of AD projects.

- In Lao PDR poppy cultivation has as dropped rapidly in areas without AD projects as in areas with AD projects. There is little evidence that AD projects have influenced Lao farmers' decisions not to grow drugs, although there is evidence that sites with active or recently active AD projects are better buffered against economic hardship.
- In Peru the area under illicit crops increased by 14 per cent in 2004 according to UNODC's Peru Coca Cultivation Survey. The same survey shows that in those areas benefiting from AD projects, the area under illicit crops remained stable.
- In China and Viet Nam elimination of poppy followed effective campaigns and eradication programs, not AD interventions. AD was never practiced in China at all.
- In Lao PDR, Pakistan, Viet Nam and Latin America, poorly designed AD projects actually increased drug crop cultivation as farmers sought to participate in development projects aimed at former drug cultivators<sup>6</sup>.

36. The **second** argument against the effectiveness of AD is that, in those places where lasting reductions in production have been seen, other possible influences on farmer decisions not to cultivate drug crops can be put forward as being equally likely causes for change. These include: overall economic growth (Thailand and Viet Nam), political change (Myanmar), increasing government access to formerly remote areas (Pakistan), social pressure (Lao PDR, Bolivia), subsidies (Thailand), and booming prices for alternative crops

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<sup>6</sup> These project design flaws, which were noticed from the earliest days of AD interventions, have persisted until recently. It is interesting to note that adventitious increase in cultivation artificially exaggerates project success rates by making the magnitude of the subsequent drop greater than it would have been pre-project.

(coffee and cacao growing areas). Vertical integration of the Colombian drug industry is credited with reducing production in Bolivia and Peru. Market price changes in Peru are considered to be most influential in farmers' cropping choice. Loss of market share to Afghanistan is credited, by some researchers, with lowering production levels in Pakistan. Interesting and understudied possible causes for the reduction of poppy cultivation in Pakistan and elsewhere are shortages of male labour and the effects of remittance income resulting from labour migrations.

37. The **third** constraint is that too few methodologically sound impact analyses of UNODC AD projects have been undertaken. No rigorous meta-analyses of historic data have been conducted. Data have been lost and methodological problems arise from project design flaws that will be discussed later in this report. AD project designs in UNODC often do not contain objectively verifiable indicators. Complicating an analysis is the tendency of mid-term and final evaluations of UNODC projects and programs to be rather lenient so as not to upset national governments, especially if there are questions about accountability and transparency. Other factors that make empirical analysis difficult include:

- Developing (and therefore evaluating) projects as geographically limited activities can mask the balloon effect – production is not eliminated, it simply moves outside the project area;
- UNODC projects routinely measure activities not impacts.

**Finding 3.** From a technical perspective, the rural development methodologies used in AD projects are not notably different from those employed in other development settings. There is no basis for designing or evaluating AD activities on different criteria from mainstream development activities.

38. The difference between AD and mainstream development lies in the speed of change mandated by the political agenda and in the destructive motivation for intervention. In such cases where eradication takes place it first rapidly destroys regional economies in the name of drug control and then AD tries to rebuild them quickly. **Rapid destruction of the local economy destroys the knowledge base of that economy. The inherent weakness of this approach lies in that AD projects attempt to create a new economy without giving adequate time and effort to teach people new skills and develop a new knowledge base.** There is no evidence anywhere, in any context, that it is possible to rebuild economies quickly but regardless of the futility of the effort, from a technical perspective, the rural development methodologies used in AD projects are not notably different from those employed in other development settings. The conditions that affect AD implementation methodologies are no different from those found elsewhere in mainstream development:

- Civil strife zones can be as dangerous as drug cultivation zones;
- Working in remote rural locations always poses social, economic and safety problems;
- Failed states present very difficult working conditions no matter what the development goals;
- The activities of drug lords are not substantially different from those of paramilitary warlords, long-term warfare destroys social and commercial infrastructure;

- War destroys people's indigenous knowledge.

39. There is no concrete basis for the contention voiced by some UNODC field staff, and implied in many UNODC project reports, that AD activities should be designed, implemented or evaluated to different professional standards than non-drug development.

## **B. Alternative Development as practiced at UNODC**

**Finding 4.** There is limited information available on the impact on the livelihoods of beneficiaries of UNODC AD projects, as opposed to crop reduction data. According to the information available, beneficiary's livelihoods show an improvement due to AD interventions.

40. The success indicator for AD at UNOD has long been a decrease in drug crop production and not improvement in people's lives as they give up producing illicit crops. It is encouraging, however, that recent UNODC project progress reports include some information regarding the impact of AD projects on people's livelihoods (See Annex 3). The following table is an example of such assessment, which provides information on sales performance 2002-2004 (mostly exports) of farmer enterprises supported by UNODC.

<b>Table 1. Income of Peasant Organizations Supported by UNODC (\$US)</b>					
<b>Organization</b>	<b>Region</b>	<b>Product</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Cooperative ACOPAGRO	San Martin	Cocoa	443.718	567.004	549.497
Cooperative Valle Rio Apurimac	Ayacucho, Cusco	Coffee	268.343	209.053	842.206
Cooperative Oro Verde	San Martin	Coffee	93.594	412.945	709.976
Agroindustria Santa Lucia (ASLUSA)	San Martin	Palm Hearts	590.152	677.452	639.358
Central de Cooperatives CECOVASA	Puno	Coffee	4.273.562	2.929.582	8.633.896
Cooperative Naranjillo	Huanuco	Cocoa, Coffee	2.028.128	2.358.487	2.948.149
Central de Cooperativas COCLA	Cusco	Cocoa, Coffee	11.658.209	12.948.265	18.532.846
Oleaginosas Amazonicas (OLAMSA)	Ucayali	Palm Oil	1.187.261	1.956.519	2.969.873
<b>TOTAL</b>			<b>20.542.966</b>	<b>22.059.307</b>	<b>35.825.200</b>

*Source: UNODC Peru (2005)*

41. Similarly the following table shows the annual gross family income of UNODC-assisted beneficiaries (\$US) of AD projects:



**Table 2. Annual Gross Income of Families Benefiting from AD projects.**

Baseline:	1,190
2001:	1,323
2002:	1,807
2003:	2,200
2004:	2,564

*Source: UNODC Peru (2005)*

42. During the field visits in South East Asia, for example, Myanmar and Lao PDR, the evaluation team observed that there was, in certain project areas, evidence of improvement in people's lives because of AD activities. However, UNODC has not always focused on documenting the status of people, but rather on the reduction in the acreages of drug crops.

43. Despite the above examples, information gaps still persist; especially in Lao PDR where recent evidence suggests that AD interventions are cushioning project villagers from the negative economic effects of economic change (Lao Opium Survey 2005).

44. In reviewing other literature on AD, the evaluation team also found that this issue had been addressed in the 1997 Report on Thematic Evaluation of Alternative Development in Peru (Jones and Amler, 1997) and the Alternative Development Global Thematic Evaluation (E/CN.7/2005/CRP.3)

45. UNODC project evaluation reports and project documents are often written in terms of poppy elimination and hence do not monitor or evaluate impacts or secondary effects of interventions as thoroughly as they should. Given its mandate on drug control UNODC is overly burdened with accountability for drug crop reduction and not given credit for improving the lives of those who give up drug crops.

**Finding 5.** Eradication is less politically acceptable than AD and there is little evidence that eradication reduces cultivation in the long-term – drug crops move, production technologies evolve, and total production decreases very slowly if at all.

46. Eradication, or the threat of eradication, is today commonly credited with suppressing drug crop production. AD is often used as a politically necessary complementary activity. The evidence to support this reasoning is compelling: despite 30 years of expensive AD interventions, drug production rose rapidly in the 1990s in response to increased market demand. When strong policing policies were launched in the mid-1990s, production dropped rapidly in locations where policing was practiced and rose in regions that were not policed.

- In Myanmar, Viet Nam and China, stern threats against farmers and communities have been the clear impetus for change. In Myanmar the UNODC activities have cushioned the communities against the adverse effects of eradication.
- In those portions of Bolivia, Peru and Colombia where reduction of coca plantations is achieved, physical enforcement has always been a factor.
- There is no doubt that the recent reduction of the coca area in Colombia was mainly due to widespread aerial spraying and manual eradication.

47. Also well documented is the balloon effect: eradication measures in one place may result in localized reduction but production rises in places where enforcement is weak. In the 1990s when countries began adopting strict anti-drug laws and policing practices, crop production fell in areas where these policies were enforced, again, independent of rural development interventions. The re-emergence of crop production in areas with weaker policing is found to be somewhat independent of the presence of rural development activities – drugs re-emerge on the boundaries of project areas where they can be hidden from observation by project staff and where they can be carefully ignored by others.

48. The reason to support AD, most commonly given by respondents in the course of this Thematic Evaluation, is that "if UNODC doesn't do AD, the only thing left is eradication". While this either-or scenario is not true, especially if AD is considered holistically, there is general acknowledgement that forced eradication is a coarse tool that damages communities without undermining the reasons that people choose to grow drugs. For example, the negative effects of rapid eradication have been well documented by the Japanese International Cooperation Agency and other agencies in research conducted in 2003 and 2004 in Kokang Special Region 1, Myanmar. There, eradication programs resulted in a number of undesirable consequences: out-migration increased and the population dropped from 200,000 to 140,000, school enrolment dropped by 50 per cent, two of every three private medical practitioners and pharmacies closed their doors. These, and other trends indicate that rapid elimination of the farmers' primary source of cash income has caused economic and social harm to the region.

**Finding 6.** UNODC has used projects as a modality to implement AD emphasizing the first part of the UNGASS definition: "[...] through specifically designed rural development measures", and less on the second part "[...] in the context of sustained national economic growth and sustainable development efforts".

49. Although UNODC project documents often begin with a restatement of the UNGASS definition of AD, UNODC's project approach is limited in scope. There is little evidence of a strategic, programmatic approach by UNODC's AD interventions that are part of a sustained national economic process.

50. Exceptions to this were identified in Colombia (CONPES, 1995) and in the Peru Country Evaluation Report 2005, where coordinating mechanisms between AD projects and local authorities exist; in particular in regard to regional economic master plans

51. If AD is viewed only as a leg of a stool, as mentioned earlier, then AD has failed to reach its objectives. If, however, AD is viewed holistically, with eradication, education and economic development as subcomponents of a larger programme, then AD can be seen to have been somewhat successful.

**Finding 7.** UNODC's AD interventions have played a vital and very positive role in the formulation of drug control policy in many countries.

52. The leading role UNFDAC, UNDCP, and UNODC have played in the development of drug policy in drug growing countries cannot be underestimated.

- **Colombia:** UNODC has played a positive role in the formulation of drug control policy. In October 1995 the National Council of Economic and Social Policy (CONPES) created a National Alternative Development plan. Within the framework of this plan the “Institutional Strengthening of National Territories Entities for Alternative Development” (COL/96/B91) AD project was implemented.
- **Pakistan:** UNODC helped the government of Pakistan to establish the Special Development Unit (SDU) of the Planning, Environment and Development Department of the Provincial Government of Pakistan's North West Frontier Province. This body has oversight for Alternative Development projects from many donors. In addition, UNODC was key in assisting the Government of Pakistan in the drawing up of its Drug Control Master Plan.
- **Lao PDR:** The government of Lao PDR, with the assistance of UNODC, has adopted a balanced approach to drug control that focuses on a program of drug suppression called "civic awareness". This program has resulted in a dramatic and unexpectedly rapid drop countrywide in poppy production in just a few years. Lao PDR has also created a centre called the Programme Monitoring Unit which is funded jointly by the government and UNODC and which coordinates anti-drug activities nationwide.
- **Myanmar:** UNODC has played a critical role as the liaison between the Government of Myanmar and the leaders of the semi-autonomous areas only nominally under the control of the central government where most of the country's poppy is grown. UNODC's regional activities provide one of the few opportunities for the politically isolated central government to interact and cooperate with the world community.
- **Viet Nam:** With the support of UNODC, the Government's First National Drug Control Master Plan has been formulated and became effective. The Second Master Plan, from 2001 until 2010, is underway. The Law on Narcotic Drugs Prevention and Suppression, likewise developed with assistance through UNODC, came into force in 2001 is seen as an important step towards enhanced drug law enforcement.
- **Bolivia:** Bolivia's Government and the local UNODC office possess perhaps the most structured and best conceptualized approach for AD in Latin America and UNODC's AD interventions have served as the base for these policies. The UNODC project AD/BOL/97/C23 “Management, Conservation and Utilisation of Forest Resources in Bolivia”, is the main referral for the national policy on Management, Conservation and Utilization of Forest Resources in tropical regions. The Project “Land Use Management and Monitoring System” AD/BOL/01/F57 is considered to be part of the official Bolivian coca monitoring system. Since late 1998, UNODC has assisted the high level National Council Against the Undue Use and Illicit Traffic of Drugs and the Fund for Alternative Development to improve planning and fund-raising for the full implementation of the national drug control strategy. In July 2004, with the support of UNODC project AD/BOL/99/D69, the Bolivian Government presented the National Plan of Alternative Development 2004-2008 that coordinates development planning at the national, departmental and municipal level and links this planning to Alternative Development programs and projects and to national policies on drug control. Bolivia's legislative framework supports a continuous negotiation process with coca farmers.

**Finding 8.** Despite some efforts at improvement UNODC working and funding processes hinder efficient implementation of AD activities.

53. UNODC's management arrangements are seen to be awkward and slow and they are found to hamper field operations and project management. Selected examples include:

*i. Project funding is not secure even within a single fiscal year.*

- The present budget management system for projects is structured in such a fashion that life-of-project and annual budgets cannot be fixed in advance. Near the end of each fiscal year, UNODC provides an estimate of the projected budget for the following fiscal year. This estimate is unreliable. Several times in the course of the fiscal year UNODC revises the projected budget up and down as funds arrive from donors. Because UNODC cannot inform projects of a reliable life-of-project budget, project managers cannot make adequate future spending plans and as a result obligate money conservatively for fear of a future cut. Thus projects become involved in rolling project designs. It should be noted that this is a result of voluntary contributions to UNODC work [this point redundant from Finding 8]. This is an area where UNODC's hands are tied, only the donors can help UNODC resolve this issue by providing guaranteed and predictable funding that can enable UNODC to plan more long-term (1-2 years). Since UNODC cannot control the resources coming to the organization, it (UNODC) cannot be criticised for this shortcoming.

*ii. Obligating funds takes too long and as a result donors rescind pledges.*

- In Viet Nam in 2001 and Lao PDR in 2003, the USA [a major donor] called back funding because UNODC was not able to obligate the funds in a timely manner. The direct cause for these specific delays was not UNODC itself but the Office is at fault for not designing processes that assure rapid obligation. UNODC country directors have been known to authorize expenditures without waiting for approvals that will take many months. UNODC is dependent on UNDP or UNOPS for some of these services that result in funds being lost.

*iii. Field offices find it difficult to accept offered donations.*

- In Viet Nam and Peru, for example, potential local fund-raising opportunities (usually involving sums between US\$ 20,000-80,000) did not materialize because the UNODC Field Office does not manage local bank accounts. Potential donors (embassies, bilateral donors, other contractors) cannot credit donations to the UNODC Chase Manhattan Bank account as is required by UNODC. UNODC needs to creatively negotiate with New York and find ways of accessing these resources.

*iv. Relationships with national governments are sometimes strained because UNODC cannot meet its commitments.*

- In 1999, the then Executive Director of UNDCP visited Lao PDR, to announce that UNDCP would provide \$80 million in new investment to assist in the rapid and complete elimination of opium and opium addiction in Lao PDR within 6 years. The Memorandum of Understanding signed during that visit, and the attendant public statements, outline a comprehensive program in which some 60 per cent of the

money was to be used for numerous poverty alleviation projects in the poppy growing regions of Northern Lao PDR. The Lao government, quite understandably, embraced this plan and began diverting funds from other uses into the anti-drug campaign. Other governments in the region watched with great interest. But in the end, very little of the promised funds materialized. The UNODC projects in Lao PDR and across Asia that were developed around that time were designed at vastly higher funding levels than actually pledged or promised, and the resulting funding squeeze has had unfortunate effects on project implementation and on UNODC credibility with implementing partners<sup>7</sup>.

National governments and national implementation agencies have learned to accommodate UNODC's financial and sometimes wayward plans, but the situation is far from optimal. National drug control programs are adversely affected by UNODC's volatile funding and the attendant rolling design process because governments cannot predict from year to year what resources they will need to deploy in UNODC-funded activities. In response to pressure from UNODC, governments sometimes accelerate the adoption of laws and policies that may not be as high a higher priority with their own citizens as with the international community, and then are obliged to enforce these laws without promised financial and technical support. This situation is extremely damaging to UNODC and should be avoided at any cost. Promises should never be made and MOUs signed until funds are pledged or paid.

*v. Slow project acceptance approval by UNODC means that field offices find it easier to use existing project numbers rather than to attempt new ones, which makes implementation, monitoring and evaluation complex and erratic.*

- It is easier to hang new initiatives on to an old project number than it is to get approval for a new project. Thus we find in Pakistan that UNODC has only managed 6 projects in 30 years – that is, the entire Pakistan program has been authorized under six original project numbers. Lao PDR seems to have fared better in this regard and each of the various projects there has its own number. In Myanmar, most of the activities undertaken in the Wa Special Zone in the past 10 years are under RAS/96/C25 “Drug Control Through Integrated Livelihood Developed in the Wa Special Regions of Myanmar”

*vi. Budget management is management intensive.*

- A constraint and source of continuous problems for staff mentioned in Viet Nam is that funds from UNODC headquarters reaches the country office through UNDP, thus requiring double accounting. This is an issue that UNODC must address urgently if the organization is to remain credible, but also making sure that it does not lose funds already pledged or promised because of the bureaucratic ineptitude.

*vii. Long time between project design and startup.*

- Needs and indicators change over time and a long lag time while funding is being solicited means that project designs are not taken seriously. Everyone knows that the situation will have changed by project startup. UNODC projects are often redesigned by project staff after implementation has begun, due to a long lag time while funding

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<sup>7</sup> But not, it seems, on the production of opium which has dropped across the country despite the rareness of formal AD projects.

is being solicited. This should be avoided by securing funds in advance. Many staff argue that this is the way UNODC funding situation is like, in which donors are often unable to guarantee funds in advance. The evaluation team finds that this is an issue that needs the attention of both UNODC and the donors. UNODC ignores this at its own peril.

*viii. Slow hiring of project staff.*

- It is not uncommon for projects to be well underway before permanent staff are hired. UN salary scales are relatively lower and the contracting mechanisms – in particular 11 month contract and attendant insurance complexities – can make it difficult to attract staff in a timely manner. Some projects, such as the RAS/C25 project in Myanmar and the F12 North Phongsaly project in Lao PDR, have at times relied on UN Volunteers either because the hiring process is too slow, or a shift in project funding has led to staff reductions. The fluctuating funding has often left the project without a full staff complement, weakening the ability of the Myanmar team to fully implement the project as envisioned, and leading to staff, including the Representative, having to take on multiple roles. Large capital expenditures like procurement and repair of vehicles and equipment is disrupted by the inability to plan in advance. Staff morale in several countries, including Lao PDR, Myanmar, Viet Nam, and Peru, is low because individuals cannot plan for the future. Even given the resource constraints there is pressure for staff to perform as if funding was adequate. The real issue is that even in these conditions UNODC is expected to perform as if all is well.

*ix. Projects are not supported by adequate technical backstopping.*

- Until very recently AD at UNODC was handled by a single officer, Grade P3.
- Country and regional offices often do not have technical units expertise to support AD. However, some field offices do have individuals in the field with large amounts of experience in AD.

54. There is evidence that Officers in Vienna have rewritten project documents to change components of the project and make other seemingly arbitrary changes against the recommendations of the field offices and the national government. This was observed in Myanmar and Lao.

- In the case of Lao/F12, the project staff was forced to operate on foot and to hand carry construction materials up mountains for the first 2 years because Headquarters staff eliminated the first phase of the project, which was road building. This change was made over the strong objections of the Vientiane office and the Lao government counterpart. (Lao Project Evaluation Report 2005)
- Even given these conditions UNODC field and project staff were criticised by UNODC HQ and donors for their inability to deliver high quality products and results.

**Finding 9.** UNODC is less likely to produce significant impact with AD at the macro level, given the resources it receives for AD.

55. UNODC's budget for AD activities worldwide has averaged about US\$19 million per year 1988-2004, a negligible amount when considered on a per family basis. In 2004, only US\$ 17 million was actually provided for AD projects. Some specific examples of the effects of limited budgets include:

- In Bolivia, where strong farmer associations help improve implementation efficiency, AD projects reach only about 40 per cent of farmers. This number is lower in Peru and Colombia.
- In new coca regions in Colombia, fewer than five percent of coca growers will be reached by direct project effects, with about 10 per cent affected indirectly.
- In Asia, small budgets and restricted project areas mean that only a small proportion of poppy growers or potential poppy growers are assisted by AD projects.
- In Peru the cost of implementing the 2004-2007 Strategic Program Framework is estimated at US\$ 11 million. At this writing, two years into the program, about US\$ 8 million is yet to be raised. This massive program and project shortfall is echoed in other AD projects, such as Myanmar, Viet Nam and Lao PDR.
- AD/LAO/01/F12 “The North Phangsali Alternative Development”, had only \$29,600 in 2005 to implement activities in 33 villages – about 4 per cent of its estimated need.
- In Colombia one consultant to UNODC estimates that the UNODC budget should at least be multiplied by a factor 10 if it is to be effective.
- Again in Colombia, budget constraints have resulted in situations where in a region where four thousand or more farmers are growing one hectare or more of coca, a UNODC cattle bank consisted of fourteen heifers and a single bull to be managed by 100 farmers. In Tumaco, an area where some fifteen thousand hectares of coca bushes have been planted during the last 4-5 years, a UNODC-funded AD project is working with only three hundred farmers.

**Finding 10.** UNODC field projects are not designed within realistic budget expectations. Changes from agreed designs, many of which are not accompanied by formal adjustment of indicators, mean that there is no clear way of measuring performance or improving effectiveness.

*i. The 50 per cent rule.*

- UNODC projects are designed at a particular budget level but permission is granted to begin implementation when the Office determines that it has secured 50 per cent of the total budget. Investment begins at the level described in the project documents and Memoranda of Agreement signed with the government and partners, but very often full funding never materializes. The project is then scaled back to fit the real budget. This wastes resources because decisions about investment in project infrastructure and staffing are made on the basis of a deal, not an achievable budget. A lack of consistent funding as well as secured funding seriously debilitates the project outcome. The practice of starting projects with only 50 per cent of the funds assured is a recipe for disaster. All too often donors fail to provide the additional funds and UNODC is left to deal with the consequences. These consequences

usually entail losing the trust of the beneficiary community and a dilution of project activities.

*ii. No budget for producing project design money.*

- While bilateral and multilateral agencies routinely allocate US\$ 20,000-50,000 for project design such as USAID etc., the donors do not usually provide UNODC with any separate earmarked funding for designing projects. Design work is commonly done in-house using whatever resources are available at the country level. That is, having been given no budget specifically for designing a new project, sometimes the Country Representative writes most of the project document, often basing it on the template of a previous project. (This Evaluation Team has been unable to access a sufficient number of project design documents to verify the assertion made by a UNODC staff person that most UNODC projects are designed from the same basic text. The Evaluation Team has found that Southeast Asian AD projects are exceedingly similar to each other across time and country.)

*iii. Selection of projects design elements.*

- In Asia, projects such as Myanmar C25, Lao F12 and Viet Nam 21 are integrated rural development projects that undertake a very wide spectrum of social safety net activities, such as subsidizing the local health and education systems or providing alternative career training for villagers, that are really the responsibilities of the national government. In contrast, Latin America, projects have moved in recent years toward focused income generation activities that experience in mainstream development suggests might be more sustainable. The mechanisms used to determine the various components to be used in various project settings are not codified and considerably vary across regions.

*iv. Selection of participant target groups.*

- We find participants in projects to be variously defined as drug growers, former drug growers, non-drug growers, potential drug growers or low-income people in general. In some cases, the target group definition changed from coca growers to non-coca growers. It has been reported that in certain instances non-coca growers started growing coca or poppy in order to be eligible for project participation. There is no strategic or empirical basis for the definition of AD project participants and this lack of knowledge management has, as in the above example, occasionally has led to the increase of drug production in project sites.

*v. Choice of execution modality.*

- Direct execution of projects is the favoured mode by UNODC, but UNODC is moving rapidly toward national executing modalities (NEX) in some countries. While NEX is an admirable objective, UNODC has no concrete mechanism to judge country's readiness to undertake national execution (in part, it has been explained by UNODC country directors, because it be seen as insulting to countries that do not meet the standard). Often, rather than being a proactive choice made on the basis of readiness, NEX is adopted as a less expensive option to fall back on when promised project funding is not forthcoming (e.g. Lao F12, Viet Nam F21). UNODC projects are not immune to the problems commonly found by other agencies using NEX. These include deliberately slow release of funds by local project administrators so as



to extend well-paid project employment and other benefits as long as possible (Lao PDR, Viet Nam). Fraud and theft are more difficult to find and prosecute under NEX, especially if oversight is only periodic. One member of this evaluation team reported of the shift to a NEX in an ongoing project (Viet Nam F12):

*This shift [to NEX] resulted in a lack of project focus, poor reporting and feed-back, lack of exit strategy and [lack of] attention given to sustainability, poor attention paid to baseline data or achievement indicators, poor levels of transparency and accountability, low level of participation of average farmers, poor farmers and former opium poppy cultivators, and no consideration of community empowerment.*

- Other kinds of innovative management arrangements and implementation modes, such as that being tried in Myanmar with the Kokang and Wa Initiative within AD/MYA/RAS/C25, have not been well received by UNODC/Vienna or by some donors. The KOWI initiative emphasises strong partnerships with other actors who are responsible for the implementation of project activities. Under KOWI UNODC is not directly implementing a project. UNODC does need to open up to other AD implementation modalities that are not projects.

### C. External Relations and Synergies

**Finding 11.** There is a gap between what UNODC is expected to do and what it is enabled to do. National governments, not UNODC, are responsible for developing and implementing national drug control and economic development programs. UNODC has no control over the funds donors will provide. Drug policy planning and administration take place within complex international and national political systems that UNODC can influence but not control. UNODC's role is best described as catalytic.

56. The discussion under Finding 1 outlines the complexity of the international debate on AD and drug control overall. UNODC cannot control the actions or opinions of sovereign entities or local communities. The UNODC programmes and projects often reflect UNODC as responsible for delivering such results as decrease or elimination of drug crops. UNODC is not in control of these, but Member States are responsible for eradication. Similarly, UNODC is held responsible for delivering technical cooperation assistance to Member States, but UNODC has no control over how much funds donors will provide. Therefore, while UNODC can make good plans and promise assistance to Member States based on donor promises and discussions with donors, when the funding finally does not materialize, UNODC is criticised for reneging on its promise. UNODC has no control over how much funding finally becomes available, since these are voluntary contributions.

57. There remain various political, social and institutional circumstances that interfere with the success of AD interventions that are completely outside the control of UNODC:

- Insufficient presence of government institutions and law enforcement activities in drug growing areas or, alternately, over-presence of government institutions, such as the police and army, and ruthless law enforcement practices;

- Weak national rural development frameworks, including a lack of policies to widen the partnership base (in particular private sector involvement). Even in countries where national policies exist, too often there is a wide gap between frameworks and policies and what actually happens on the ground. Resources for national implementation are too few and they may be poorly used;
- Widespread poverty with attendant social problems;
- Cooperating organizations such as farmer associations may change their perspective over time and become less cooperative with government rural development and drug control policies;
- Local and national civil society organizations which are supposed to play a key role in drug control, are too weak or nonexistent. In some countries they are illegal.

58. On the other hand, there are cases like Colombia where the Government has asked UNODC to implement important projects, even with financial resources from Colombia.

**Finding 12.** UNODC has not used the Office's unique leadership position to its best advantage to mould the diverse views of the donor community into a strategic consensus leading to coherent action on AD. This has negative effects on funding for UNODC AD projects.

59. The rift between different nations and different leaders over the goals and conduct of anti-drug programs continues and can even be said to be getting larger.

60. For example, the US government has strong and well-articulated positions on drug control, and various US administrations have devoted significant resources on drugs and drug related crimes. However, donors have different views and approaches on AD. Some argue that UNODC simply follows what the major donors dictate. As world opinion on drug control policy has diversified, UNODC is increasingly expected to take the lead in bringing varying views together and reaching a consensus on the most appropriate forms and means for achieving AD goals, particularly using its unique vision as the UN agency for drug control.

**Finding 13.** UNODC has not taken full advantage to identify opportunities to partner with other organizations on AD and rural development and in some cases misses opportunities for multiplying the impact of investments. This process should begin at the design stage of project development.

61. AD projects, in particular in South East Asia, have until recently not taken full advantage of partnership opportunities.

62. There are however good examples of where UNODC has learned from experience and developed partnerships such as the KOWI partnership in Myanmar. KOWI is a programme approach where nine partners work under the UNODC umbrella. Each of these partners has expertise in areas such as health, education or agriculture. The partners are responsible for implementing activities and UNODC plays the role of coordinator. This approach enables UNODC to maximise programme impacts by partnering with others. The KOWI partnership now enjoys nine active partners and eighteen supporting agencies.

63. While national governments see UNODC as an important intellectual partner in developing drug control policy, it is less clear how governments view UNODC as an implementation partner, as candid assessments are difficult to obtain. However, some examples can illustrate the problems facing potential partners and governments trying to undertake AD in cooperation with UNODC. Some of the examples cited above can be used to support this finding.

## **2.2. Analysis**

64. The tasks of this Thematic Evaluation of UNODC's Alternative Development Initiatives are to determine whether AD is an appropriate tool to use in the context of drug control and whether UNODC is using its AD resources effectively. AD within UNODC is intended to achieve significant decrease in the cultivation of illicit crops while avoiding the risk of causing human suffering, preventing the shift of drug production to other locations, preventing civil unrest during the transition to a non-drug economy and making these changes permanent. The Evaluation Team was asked whether AD has a single definition within or outside UNODC. Further, the Evaluation Team was asked to evaluate UNODC's experience with AD project implementation and its current project management systems.

- If, as we contend, the theoretical constructs underlying AD are flawed, these flaws have, in part, arisen from the noxious effects of the political debate that surrounds drug control.
- If AD rhetoric and practice is deconstructed into its elements – AD-policy, AD-policing, AD-civil society, AD-economic growth, AD-science and technology, AD-infrastructure, and AD-human skill building – we see that AD in some countries, in many cases, particular in Southeast Asia, has not evolved very far from the integrated rural development approach of the 1980s.
- To its great harm, UNODC has not invested in knowledge management systems, in the strategic evolution of AD, in practical testing of alternate methodologies to support AD or in policy development based on empirically derived knowledge. UNODC has not capitalized on its successes and enabled learning from best practices and emulation of successful projects. Better knowledge management would have helped UNODC retain the skills needed to maintain leadership in the technical aspects of AD. UNODC has lost its leading position in the political and the practical spheres of AD.
- The role UNODC projects play in reducing negative economic effects goes unmeasured and unacknowledged. UNODC needs to re-think this emphasis of drug eradication and consider more the paradigm of economic development as a way of influencing illicit drug crops. If this approach is adopted credit can be given to UNODC for reducing negative socio-economic effects.
- Rolling project designs caused by the project design and fiscal management systems prevent no life-of-project planning. The project objectives are in constant flux, and consequently monitoring and evaluation of results is impossible. Unpredictable implementation seems unprofessional to observers and negatively affects funding efforts and ultimately resulting in further budget instability.

- UNODC Headquarters operates under a range of very serious organizational constraints and is rather unprepared for its role as a development agency working in the specialized field of AD. The Office lacks adequate, sustained core funding and has too few staff resources with skill in AD.
- Because UNODC projects are not adequately designed, staffed, or supported and as a result there is no clear way of measuring performance or improving effectiveness.
- Rather than designing a project to fit an available budget, a project is designed at one budget level and implemented at a lower one. Projects have weak monitoring and evaluation systems because there can be no long-term plans with benchmarks. Erratic staffing and low salary rates deter top-notch staff from applying for positions in UNODC.
- There is little apparent relationship between UNODC AD projects and the development plans for the various countries.
- There is no apparent entrance, mid-point and exit indicators for UNODC action in countries and regions.

65. The points above and others elsewhere in this report are symptoms of a general uncertainty about what AD is and what AD can accomplish. The Office seems to have settled into a conceptual rut about AD and it is only now, as funding becomes increasingly scarce, that the need for change is being recognized. The members of this evaluation team believe that change should begin with a re-examination of what AD really is.

66. Rural development interventions against drugs would have worked better if, from the 1970s, they had been viewed as an integral part of regional and national development programs and not as stand-alone projects involving a few villagers and a few crops. Ideally, the mechanisms to ensure sustainable economic and social development would have been in place long before coercive eradication measures were initiated. It is the opinion of members of the evaluation team that the formulation of an Office-wide strategy on AD, with attendant alignment and streamlining of policies and procedures to improve cost-effectiveness, is long overdue.

### **3. Outcomes, Impacts and Sustainability**

#### **3.1. Outcomes and Impacts**

67. UNODC's low levels of investment in AD mean that even if interventions were all successful, the impact would still be low relative to need. Presently, the UNODC AD interventions only reach less than 10 per cent of the farmers who are involved in the production of drug crops. The impacts from AD also remain low given UNODC's project approach. Further, because there is only limited information available on changes to livelihoods of beneficiaries of UNODC AD projects, this evaluation is not able to assess fully the impact of AD.

68. If AD is defined as rural development initiatives to eliminate drug cropping then there has been only a limited amount of positive impact in a few places.

69. Some AD interventions, in particular road construction, have proved to have lasting positive impacts in remote rural areas.

70. Several technology introductions accomplished in AD projects, in particular the gabion weir technology<sup>8</sup> in Southeast Asia, have proved their worth repeatedly in bringing irrigation water to farmers fields at a very low cost. This is something UNODC AD could have capitalized on and hence created better impacts.

71. The development of marketing skills that is the focus of the many Latin America projects is starting to have a positive impact and this trend is likely to continue into the future. This is an area that UNODC should both monitor and study closely and hence replicate best practices.

72. UNODC has been unable to build a consensus of opinion around AD. The office needs to invest in building consensus especially among donors. Success will depend on UNODC's ability to build this consensus and hence mobilize resources.

#### **3.2. Sustainability**

73. The interventions mentioned above, as having had important positive outcomes and impacts can be considered sustainable, in particular road building and gabion weir construction. Some other interventions undertaken in AD projects, however, are unlikely to be sustainable. These include paying teachers' salaries in Lao PDR and non-agricultural careers training in Myanmar. Unless complementary activities to support market system development and trade are undertaken, the sustainability of the market interventions in Latin America will be limited. UNODC should note the successes, but also deal with shortcomings if its AD interventions are to become sustainable.

74. Sustainability will only be achieved in all involved look to development as a long-term endeavour. Donors must realize this and provide UNODC with the necessary support to stay until the work is complete. A reduction in illicit crop acreage is not an indicator by which

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<sup>8</sup> The technology used to construct a series of small dams for irrigation.

success can be measured. Development indicators must be the basis for which to assess impact and sustainability.

## **4. Lessons Learned, Best Practices and Constraints**

### **4.1. Lessons Learned and Best Practices**

75. Lessons learned and best practices from this exercise include:

- If AD programs strengthen democracy, justice and socio-economic conditions and foster transparency and accountability in development planning and implementation, they have the greatest chance of success.
- It appears unwise to implement AD projects under a national executing modality where partner organizations lack familiarity and experience with the ambitious and demanding nature of AD approaches, or where qualified local staff is not available or unwilling to work in a remote area. Where strong implementing partners are available, UNODC may take a secondary role;
- AD activities are found to be effective only when they are culturally appropriate. In Latin America, working with farmer's organizations is a necessary condition for success. In Asia, adjusting program activities to accommodate ethnic differences is necessary;
- When AD programs and projects focus on identifying business management initiatives including expanding market opportunities, mobilizing the private sector, and incorporating new elements to AD projects (such as strengthening farmers associations and facilitating and advising services for executing partners), the likelihood of the interventions being sustainable increase.
- Knowledge management is key to improving organizational performance and learning;
- To improve their effectiveness, UNODC AD initiatives must support and strengthen communication and cooperation between organizations and actors in the construction of a better future in drug affected regions;
- It is seen to be essential that UNODC attract implementation partners as early in the program formulation process as possible. To maximize the attractiveness of cooperation, UNODC will need to advocate interests much wider than drug control;
- The Kokang and Wa initiative (KOWI) as an innovative partnership mechanism is a model that should be replicated.

### **4.2. Constraints**

76. Some constraints identified from this evaluation include:

- Inadequate performance monitoring by Headquarters, Field Offices and on-site project staff negatively affects project implementation
- AD is not well defined in UNODC and the Office has trouble articulating a strategy and communicating it to donors and partners. There is no framework or common language for AD worldwide;

- Inadequate resources and a limited capacity at UNODC and an inability of donors to commit funding to long-term projects and skill development;
- In some countries, UNODC's local staff has ample experience and knowledge in the area of AD, but accumulated know-how remains with the individuals and is not institutionalized by knowledge management systems. The organization as a whole does not benefit from this accumulated knowledge because there is no systematic way of distilling and disseminating lessons learned and best practices.
- AD within UNODC is not evolving from replication of previous projects and learning from previous experience. New projects do not incorporate features that are commonplace in mainstream development or lessons learned from previous evaluations or best practices.
- Weaknesses in project design and monitoring systems hinder adequate monitoring and evaluation of AD interventions.
- Other obstacles outside the UNODC control, including UN policies, national government and donor policies, hinder AD implementation.



## 5. Recommendations

### 5.1. Recommendation for Immediate Action

77. UNODC's future direction with regard to AD will result from a range of considerations in addition to the findings of this Thematic Evaluation, including the findings of the Thematic Evaluation for Determining Best Practices in Alternative Development (2005 CND), the opinions of donors, opinions within the Office, opinions outside the Office, the opinions of national governments partnering in AD programs and the opinions of the Office's implementation partners. Change will not be easy, as UN agencies, like any large bureaucracies, are difficult to deflect from their current path. Inertia and resistance may derail the reform process.

78. Strategic management is considered critical to modern organizational practice. Without a coherent strategy resources may be wasted. UNODC management seems sometimes to be unaware of its strengths and unmindful of its weaknesses<sup>9</sup>. The evaluation makes only one recommendation, as all other steps that UNODC can take must follow from it:

*The Executive Committee of UNODC should immediately commission an externally managed, high-level strategic exercise to determine how the Office will continue to address the AD goals as spelled out in its mandate. The participants in this exercise must be willing to challenge every aspect of the Office's rationale to AD, its approach to design and mode of implementation, soliciting and allocating funding, monitoring and evaluation. No question should be taboo, including whether UNODC has the capacity to properly execute its mandate to undertake AD in the UN system. The Executive Committee should then decide upon the course of action to be taken, based upon the recommendations of the review.*

79. Following the adoption of a comprehensive strategy, UNODC will need to redesign and realign AD operations top-to-bottom within the Office to meet the prerequisites for implementing the chosen strategy. This redesign would include, but not limited to, the Office's relationships with donors, and to the processes of programme/project design, staffing and implementation.

80. A fundamental principle of Results Based Management, "managing available resources to achieve results," must be applied in UNODC. In reality, the results that UNODC promises are not adjusted to match the resources that materialize once projects have begun and therefore UNODC cannot deliver on its promises. In particular the 50 per cent rule and others that result in a misalignment of expectations and budget resources must be reconsidered.

### 5.2. Options for Action

81. As a contribution to the high-level review exercises the evaluation team has identified some options that may be considered. The team members of this evaluation are not in agreement on the best course of action for UNODC, with at least one member arguing that

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<sup>9</sup> In the course of this evaluation, one evaluation team member was told by a senior UNODC staff member that there is nothing at all wrong with UNODC's approach or to field implementation practices.

UNODC should stop all rural development projects as soon as possible. However, the team believes that it is the responsibility of the Office to formulate its own strategy. The following list of strategic options may not be comprehensive but it outlines the possibilities most clearly seen at this writing.

#### **A. UNODC continues to directly implement field projects on AD**

82. Direct implementation is likely to continue to be the most expensive and least satisfactory of the various options. Yet should this prove to be the option exercised, a complete overhaul of systems and mechanisms is needed.

#### **B. UNODC continues to support AD projects but out-sources implementation.**

83. Indirect implementation would mean that UNODC would become an agency that identifies a need and then solicits offers from outsiders to implement activities that will meet the need. Indirect implementation is one of the two most attractive options for the Office to pursue. This option will require management improvements at every level. This Option will be impossible in the absence of stable funding.

*At the HQ level:*

- ✓ The development of an AD unit made up of people with thematic (not necessarily technical) specialists able to hire outside technical assistance as needed
- ✓ Programs and projects must demonstrate the best development practice. They must have clear monitoring and evaluation guidelines.
- ✓ Funding must be available for needs assessments and Scope of Work development. Outsiders must undertake activity design activities, preferably as an integral part of the project bidding not as part of needs identification. Competing designs and implementation plans should be the basis for bidding.
- ✓ Bidding and contracting must be competitive, fair, and transparent.

*At the Regional level:*

- ✓ UNODC must develop regional technical and programmatic support
- ✓ There must be a system to exchange information and results between countries
- ✓ There should be a system of regional monitoring of project implementation to facilitate information exchange.
- ✓ The regional office should participate in the review of project proposals and strategic plans.

*At the Country level:*

- ✓ Project development should follow from regularly conducted needs assessments leading to strategic plans with 10-15 year horizons.
- ✓ The country office should be able to backstop projects.

- ✓ Projects must be designed by outsiders with broad development experience and to that end, country offices should receive funding for assessments and Scope of Work development.

84. Models for indirect implementation can be seen in bilateral and multilateral programs worldwide. The indirect implementation system might initially be expensive to set up but once it is running should result in overall savings and better use of project money. The evaluation team has a strong bias toward a bidding system in which the Office presents an open-ended problem to be solved and allows the bidders to develop their own ideas as to how to solve that problem. The Office then selects the bidder with the best technical solution to the problem at a reasonable cost. Again, this option cannot be implemented without mechanisms to assure stable and predictable project funding.

### **C. UNODC shifts its focus on AD to research and knowledge management aspects and is established as a Centre of Excellence for AD.**

85. As a Centre of Excellence UNODC would stop project work and turn its attention to knowledge management and to supporting the background research and theoretical deliberations that underpin AD as a discipline. The Office could support scholars, expand its data collection and analysis work, and host conferences and colloquia around the world. This option would likely require only modest funding but would require UNODC to change some aspects of its AD program.

#### *At the HQ level:*

- ✓ Creation of an AD unit staffed with thematic experts, development experts, librarians and trainers
- ✓ Installation of an electronic library system to collect, manage and distribute relevant research and project information
- ✓ Facilities to support scholars and researchers
- ✓ Formulation of an outreach agenda and sufficient funds to implement an outreach program
- ✓ Technical and methodological support for implementation partners that brings financial and knowledge resources to develop and maintain a data base on illegal crop production and related topics including social, economic, agronomic, micro-financial, phytopathological aspects of drug production.

#### *At the Regional and perhaps even Country level:*

- ✓ Development of satellite centres to collect information for archiving, data management and support to system users
- ✓ Support regional activity and to facilitate information sharing and study tours within the region
- ✓ Formulation of an outreach agenda and provide sufficient funds to implement the outreach program

**D. UNODC focuses on promoting policy dialogue while maintaining a repository of knowledge about AD best practices.**

86. UNODC could withdraw from field activities and focus its resources on advocacy and policy development. The Office could continue to act as a knowledge repository or online library. The library would require some of the investments listed in Option 3 but would be less expensive.

**E. UNODC expands AD activities to embrace the wider agenda of the Millennium Development Goals to address poverty as a root of crime.**

87. If the Office were to use the Millennium Development Goals as its working agenda in AD and other areas of crime prevention, UNODC would become more involved with mainstream development. The role of partnerships with other specialized organizations is critical for the success of an initiative of this nature. The shift of emphasis might be done by focusing donor attention more strongly on poverty as a root cause of drug-related crime, human trafficking and corruption. Expanding UNODC's activities would be expensive and would require reorganizing implementation methods in ways outlined in 2 and 3 above.

## 6. Conclusions

88. Alternative Development planning and administration takes place within complex international and national political systems that UNODC can influence but not control. The political debate on AD in the international press and scholarly publications is intense and some question UNODC's ability to confidently take on AD as a drug suppression tool.

89. UNODC was once at the forefront of AD initiatives in the early years when the evolution of AD was by trial and error. Now that ample experience in AD has been gained UNODC should have a competitive advantage over other international actors. UNODC is the only actor whose authority is grounded in a body of conventions and international instruments emanating from the Commission on Narcotic Drugs. The Office's open and well-documented agenda should generate confidence in its work. UNODC's commitment to participatory approaches should foster cooperation. UNODC is thought by many to have a successful track record and has a history of success and "brand recognition" in AD. UNODC is identified as supporting the eradication of illicit drugs and in favour of development of the licit economy and for the rule of law as a precondition for sustainability.

90. UNODC has gained ample experience in AD and should have a comparative advantage over other international actors. Despite this the Office faces a series of challenges.

91. The primary problem is that there is no commonly accepted definition of AD in the world community or within UNODC. While UNGASS provides a definition of AD, UNODC still does not have a strategic vision of AD and thus its efforts are fragmented.

92. Second, research into modern management practice suggests that confusion about strategy and the reluctance to examine assumptions underlying actions is one of the primary causes of business failure. The senior management of organizations of all types are tasked with developing strategy and assuring that it is well understood by staff and that the strategy is translated into operations at all levels.

93. Third, by not working from a holistic definition, UNODC is not developing and managing its projects most effectively. There are a number of problems affecting AD project design that have been discussed in this report. The most serious of these is that the objective indicators for many projects examined in the course of this evaluation are improperly written resulting in problems with monitoring and subsequently with objective evaluation. Thus AD projects mounted by UNODC cannot be judged on their effectiveness. If projects cannot be judged objectively, there is no basis on which to determine whether AD is effective. The UK withdrew funding for AD within UNODC several years ago because of doubts whether AD actually worked. Japan does not invest in AD but spends its funding on strengthening local and regional policing. Australia and some other drug recipient countries do not support AD within UNODC in part because of the weakness of the evidence that AD is effective.

94. If AD can mean many things to many people, it is easy to see why fundamental questions still remain about the objectives of AD and how easily the larger implications of AD as a long-term process of economic and social development can be ignored by project designers and policy makers. Without a clear statement of goals and objectives, projects cannot be properly designed, implemented, monitored or evaluated.

95. Should AD treat the causes of the "crime" of drug cultivation or only the crime itself? Is the goal of AD the difficult one of rural development or the simpler one of eliminating criminal crop production in a specific location? Should AD aim for full elimination or is some level short of 100 per cent satisfactory? Should a project stop abruptly when zero cultivation is achieved or is some kind of phased withdrawal indicated? Should AD be continued after cultivation ends to prevent reinvestment in drug production or be used in at-risk areas to prevent initial investment?

96. These questions, in turn, lead to others with practical implications for the implementation of AD within UNODC: What measurements of success should be used – cultivation or people's well being? Who should AD "measures" work with: The "criminals" who cultivated a crop that was legal or quasi-legal until recently? The "good" people who never did? The "reformed" who once did but now don't? The officials who once condoned cultivation? The governments and officials who turned a blind eye or benefited directly or indirectly from the drug trade? Villagers or governments or local development agencies or a combination of actors? There are no simple answers to these questions, but they demonstrate the complexity of the situation.

97. How long should a country-level AD program run? To prevent possible reinvestment, should the national government be assisted long-term to continue regional development projects? What measures are to be used to determine when a national government is ready to take on the work alone? What make good entry, mid-course and exit strategies? These questions cannot be answered in the absence of a holistic approach to the problems of drugs and development.

98. What is the relationship between AD and policing? What should happen when national or regional drugs policies fail? How much pressure should be put on individuals, officials and government to maintain standards?

99. Within the context of an overall AD country program we must also ask how best can projects be linked to national drugs policy and national economic development policy. The evaluation concludes that for AD to work it must be an integral part of the national development programme.

100. UNODC has not supported its AD effort with adequate programme or technical staff. Staffing at the Sustainable Livelihoods Unit at Headquarters is inadequate to support UNODC's AD initiatives. UNODC's funding is precarious and complex internal procedures hamper the timely and efficient implementation of projects even further. In the field many projects are struggling.

101. AD should either be properly funded or another approach found that will deliver results more effectively.

102. Even if UNODC withdraws from field activities, it retains its unique role as the voice of the United Nations and Member States in drug and crime control. No other UN agency can fulfil this role, regardless of the implementation modality chosen.

103. UNODC is at a crossroad regarding its AD initiatives. The challenge before it must be tackled with timely and appropriate decisions.

## Annex 1. Terms of Reference

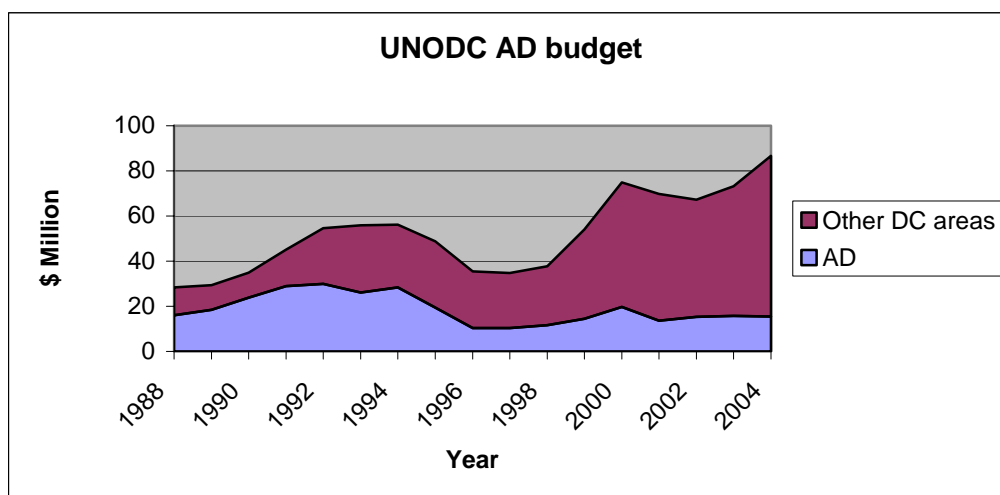
### United Nations Office on Drugs and Crime Alternative Development In-Depth Evaluation Terms of Reference

#### 1. Background Information

1. Over the last thirty years, the United Nations Office on Drugs and Crime (UNODC) has actively promoted Alternative Development (AD) as one of the main tools to tackle cultivation of illicit drug crops. The commitment to Alternative Development as a key component in the international strategy to reduce illicit supply, particularly of opiates and cocaine, is embodied in the Political Declaration and Action Plan on International Cooperation on the Eradication of Illicit Drug Crops and on Alternative Development, adopted by the Special Session of the General Assembly in 1998.

2. The UNGASS document defines Alternative Development 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, recognizing 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”.

3. UNODC investment into Alternative Development measures over the last seventeen years (1988-2004) amounts to \$318 million. This is an average investment of \$19 million per year.



4. Between 1979 and 2004, UNDCP has funded more than 120 technical cooperation projects aiming at reduction or elimination of illicit crop cultivation through crop substitution, integrated rural development or Alternative Development. These projects were not part of a global programme on Alternative Development, but developed based on country needs and strategies. While UNODC Human Security Branch (former Technical Service Branch) was responsible for technical support to identification, formulation, monitoring and

evaluation, the Partnership in Development Branch (former Operations Branch) was managing implementation.

5. In addition, UNODC has provided technical advice on Alternative Development to Member States through its Field Offices, Regional Advisers and Headquarter-based experts. This advice has been reflected in National Development Plans, Comprehensive Drug Control Plans, (Sub-) Regional Cooperation Frameworks, Master Plans and Alternative Development Plans.

6. Over the years, numerous individual project evaluations and other assessments of Alternative Development have been conducted. Between 1993-2002, UNODC undertook or commissioned 42 evaluations of Alternative Development at the project level as well as 3 Thematic Evaluations on Alternative Development: in Thailand (1993, 7 projects), in the Andean region (1993, 18 projects) and in Peru (1997, Impact of Alternative Development activities in Peru). In addition, the Thailand country programme to combat opium poppy production and use (1970-2000) has been reviewed.

7. In the course of 30 years, the Alternative Development strategy has developed and implementation modalities have changed. Project evaluations have been conducted, but outcomes of monitoring and evaluation have not been processed in a systematic way, except for three Thematic Evaluations. The only attempt to compare experiences between countries, regions and continents, is the ongoing Thematic Evaluation for Determining Best Practices in Alternative Development, which is being implemented under the supervision of the Member States.

## **2. Purpose of the Evaluation**

8. The main purpose of this Thematic Evaluation is to review Alternative Development strategies in different regions and countries to determine a common understanding of Alternative Development within UNODC, as well as to assess the appropriateness of Alternative Development strategies. It is expected that the evaluation will contribute to UNODC strategy development in this area.

9. In addition, the evaluation will assess the outcomes and sustainability of selected Alternative Development interventions with a view to defining lessons learned and best practices. Ongoing, as well as recently concluded projects will be reviewed.

## **3. Evaluation Scope**

10. The evaluation will address, among others:

### **A. Alternative Development Strategy**

- What is Alternative Development and what does it mean in UNODC;
- The role of Alternative Development at UNODC and how it has been implemented;
- The appropriateness and relevance of Alternative Development strategies;
- The impact of UNODC supported Alternative Development activities with special emphasis on sustainability of results;
- Best practices and lessons learned;



- Transferability and comparability of the approach between countries, regions and continents;

## **B. Role of UNODC**

- The organizational structure of UNODC and its appropriateness for the task;
- Whether UNODC has been able to provide the technical advice required by Member States;
- The impact of the disparity between the pledged and actual disbursed funds;
- The adequacy and appropriateness of needs assessment and selection of project sites;
- Organization and management of backstopping, monitoring and evaluation;

## **C. External Relations and Synergies**

- The most effective use of financial resources for Alternative Development, particularly in relation to other donor agencies and their funding strategies;
- Public relations with donors, recipient countries and the general public;
- Linkages with other institutions working in related fields;
- The UNODC Alternative Development approach in comparison to the rural development approach of other organizations, including NGOs;
- Evolution of Alternative Development strategy and the way forward.

## **4. Evaluation Methods**

11. The Thematic Evaluation will make optimal use of already available information (evaluation reports, results of other assessment and evaluation exercises, etc.) and will include country reports and the findings of project evaluations conducted concurrently to the evaluation where appropriate. The different country and regional reports will be used as building blocks and consolidated into one general evaluation report.

12. Instruments to be used include interviews, document reviews and field visits (Lao PDR, Viet Nam, Pakistan, Thailand, Myanmar, Colombia, Peru and Bolivia). Field visits will be conducted to collect information to complement and refine information already available, as well as to conduct country reports. The major source of information will be open-ended interviews with different stakeholders.

13. Project evaluations shall be carried out in order to assess design, implementation and outcomes of ongoing projects as well as serve as an input to this evaluation.

14. A four-person evaluation team (see below) will be required due to the need for a thorough discussion with project beneficiaries, implementers, donors, the necessary field visits and respective field observations, including the examination of actual activities and data collection from all sources. The use of several team members is therefore necessary in order to ensure full coverage given the time constraint.

## **5. Consultant Tasks, Expected Outputs, Contractual Arrangements**

15. Each Consultant is assigned to visit to a specific region and will visit the listed countries. The consultants will perform the following tasks:

- Review all background materials to familiarize themselves with the activities of the programme;
- Visit the listed countries, meet and interview all relevant persons;
- Examine documentation in the field and collect further written information.

16. Each consultant to prepare individual reports for use by team leader as described in these TOR:

### **Lao PDR:**

Lead evaluator (lead evaluator financed by LAO/F12)

Products: Country report and project evaluation report of LAO/F12

Methods: Review of existing evaluation reports, review of impact of Alternative Development interventions in the field and visit to the project site of LAO/F12 (Phongsali)

Estimated duration: 2.5 weeks (including travel)

### **Myanmar:**

Lead evaluator + joined by IEU staff (to be financed by IEU)

Product: Country study

Method: Desk review, complemented by a field visit (in-country costs financed by RAS/C25)  
UNODC Regional Centre in Bangkok - Lead evaluator and IEU staff

Briefing and interviews

Duration: 3 days (including travel)

### **Viet Nam:**

External Evaluator (to be financed by VIE/F21)

Product: Project evaluation report+ Country report

Method: Review of documents and field visit to Ky Son

Estimated duration: 1.5 week (including travel)

### **Pakistan:**

IEU staff (to be financed by IEU)

Product: Country report

Method: Review of documents and field visit

Estimated duration: one week (tentatively)

### **Colombia:**

Deputy lead evaluator joined by IEU staff (external evaluator to be financed by COL/E45)

Products: Country report and project evaluation report of COL/E45

Method: Review of existing evaluation reports, review of impact of Alternative Development interventions in the field and visit to the project site of COL/E45

Estimated duration: 2.5 weeks

### **Peru:**

Local consultant (to be financed by IEU)

Product: Country report  
Method: Field visit  
Estimated duration: 2 weeks

**Bolivia:**

IEU staff (to be financed by IEU)  
Product: Country Report  
Method: Field visit  
Estimated duration: 1 week

**Austria:**

Lead and Deputy Lead, members of the IEU  
Product: Debriefing and initiating drafting of global evaluation report  
Estimated duration: one week (tentatively)

## **6. Evaluation Composition**

17. A total of 4 evaluators (Lead, Deputy Lead, Local, External Consultant) will take part. The team will split in two groups each covering the South East Asia and South America respectively. The Lead Evaluator will be responsible for the Laos country report, a regional and global report as well as a project report while the Deputy Lead will be responsible for the Colombia country report, a regional report and a project report. The rest of the countries would be divided as indicated above.

18. Evaluators will be chosen based on their proven experience (minimum 10-18 years), competence and knowledge relevant for, but not confined to, Alternative Development. The experts will collectively possess the following expertise:

- Technical expertise in the field of Alternative Development or rural development;
- Experience with the development and implementation of drug control programmes;
- In-depth knowledge of the concerned region (Latin America or Southeast Asia);
- Knowledge of the UN system;
- Knowledge of relevant issues of the current development debate;
- Expertise in evaluation

19. The evaluators should have a minimum first degree or equivalent qualifications and expertise in at least one of the following fields:

- Alternative Development;
- Agriculture;
- Sociology;
- Rural development;
- Management.

## 7. Planning and Implementation Arrangements

When	What	Who	Where
July 2004	TOR developed and Evaluators identified	SLU IEU PDB, including COs	UNODC HQ
Mid-August 2004	Evaluators contracted Desk review	Evaluators IEU	Home-based UNODC HQ
Mid Sept. 2004	Field work	Evaluators IEU staff	LAO, (MYA), (VIE), PAK, COL, PER, BOL
Mid Oct. 2004	Draft report	Evaluators IEU staff	Home-based UNODC HQ
Late Oct. 2004	Working meeting	Evaluators (Lead and Deputy Lead) IEU staff	UNODC HQ
November 2004	Final report	Lead evaluator	Home-based

### *Note:*

The distribution of responsibility on this assignment was as follows:

Allison Brown. Consultant, Lead Evaluator, Asia Coordinator, Myanmar and Lao PDR Country Reports, Lao PDR Project Evaluation, Asia Regional Report, Final Report.

Tito A. Hernández T. Consultant, Bolivia Country Report.

Hans-Dieter Bechtstadt. Consultant, Viet Nam Country Report, Viet Nam Project Evaluation, much of the text on the history of poppy in Southeast Asia in the final report.

Rakesh Muthoo. Consultant, Pakistan Country Report, much of the text on the history of poppy in Pakistan and the Middle East.

Roger Miranda. UNODC staff, Peru Country Report.

Backson Sibanda. UNODC staff, provided overall guidance to the evaluation and made substantial contributions to the Pakistan, Peru and Myanmar country reports and also to the regional and global reports.

Petrus Spijkers. Consultant, most of the text on the history of coca in Latin America and some content for the main body of the report.

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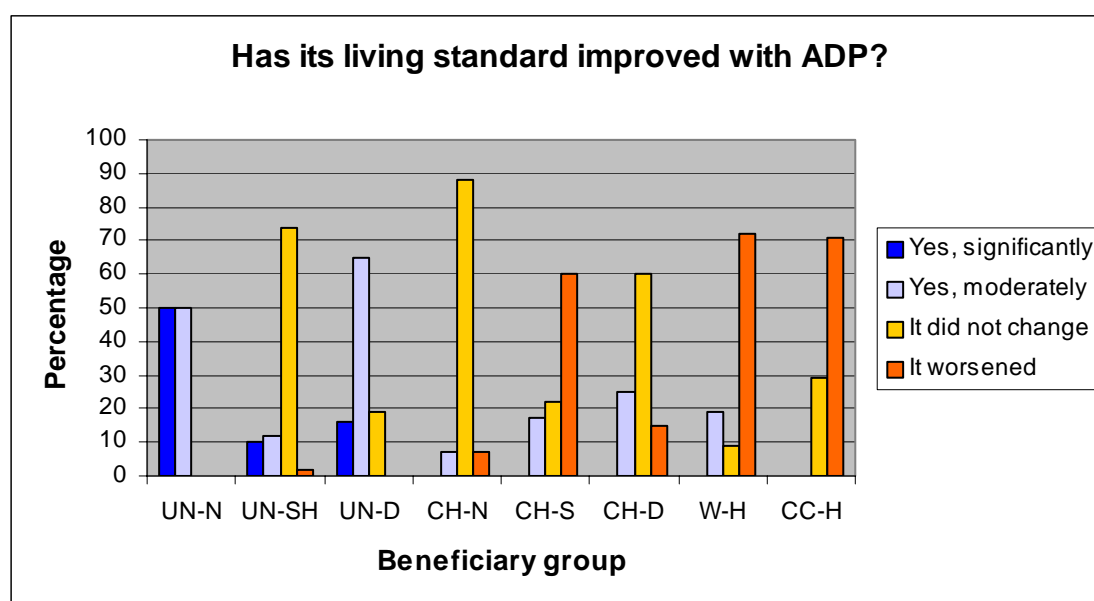
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## Annex 3. Extract: Impacts of Alternative Development Projects on Aguaytía-Perú

### Summary of In-Depth Study Impacts of Alternative Development Projects on Aguaytía-Perú

*Study for the Thematic Evaluation to Determine Best Practices  
in Alternative Development*

Group for the Analysis for Development – GRADE, Peru



#### Beneficiary Groups:

UN-N	United Nations Neshuya
UN-SH	United Nations Shambillo
UN-D	United Nations Divisoria
CH-N	Chemonics Neshuya
CH-S	Chemonics Shambillo
CH-D	Chemonics Divisoria
W-H	Winrock Huipoca
CC-H	Care-Codesu-Huipoca

1. As can be seen to the question whether the ADPs have improved their living standards, the United Nations interventions had most of the answers in “Yes, definitely” and “Yes, moderately”. The United Nations Intervention with higher positive impact is the one in Neshuya, with Divisoria in a second place. On other side, the interventions with the worst perception are those by Winrock and Care-Codesu in Huipoca. In an intermediate situation are the more recent interventions by DEVIDA-Chemonics. By zones, it is observed that in Shambillo the opinions are more negative regarding impacts on living standards, both for United Nations and Chemonics. This zone has two processes which have affected farmers incomes: the installation of 2, 000 hectares of oil palm in the last four years, and the signature

of a coca eradication contract with DEVIDA-Chemonics in 2003. These two processes together explain income reduction and also the high level of dissatisfaction with coca eradication, as compensation has not been enough to supplant income losses. It is in this zone that farmers say that their living standards have worsened with the DEVIDA-Chemonics intervention.

2. The survey made question not only about the general impact but also in specific aspects of their lives and livelihood strategies which might have been impacted by ADPs interventions. The results are presented in the following table.

<b>Opinions about improvements or detriments from ADPs</b>									
	NU-N	NU-SH	NU-D	CH-N	CH-S	CH-D	W-H	CC-H	TOTAL
<b>Improvements in:</b>									
Credit access	97%	35%	53%	3%	17%	15%	18%	14%	36%
Market and prices	93%	29%	59%	3%	13%	10%	18%	14%	35%
Increase in agricultural areas	97%	55%	88%	23%	40%	30%	18%	29%	54%
Equipment acquisition	60%	35%	50%	20%	20%	20%	18%	29%	34%
Goods acquisition	63%	23%	16%	7%	3%	0%	0%	0%	18%
Access to educational services	77%	26%	59%	10%	20%	20%	9%	0%	34%
Access to health services	77%	26%	56%	7%	20%	15%	18%	14%	33%
Security and social peace	100%	84%	100%	83%	90%	75%	82%	71%	88%
House improvements	87%	28%	78%	10%	23%	10%	9%	0%	38%
<b>Losses from ADPs:</b>									
Loss of source of income	13%	77%	31%	37%	97%	70%	100%	71%	57%
Selling of goods	7%	58%	31%	50%	90%	55%	73%	43%	49%
Need to return to crop coca	3%	48%	13%	20%	77%	55%	100%	71%	40%
Problems to send children to school	30%	55%	53%	47%	60%	50%	73%	71%	51%

**Source:** Household Survey in Aguaytia

**Elaboration:** GRADE

3. In this case, we present the percentage of surveyed farmers by group who strongly agree or agree with improvements or losses in specific areas of their lives due to the ADPs interventions. A first observation is the intervention by United Nations in Neshuya has a very favourable evaluation in almost all the positive aspects considered and very low percentages for the negative impacts. The other two UN interventions have also good evaluations, but in lower measure than the Neshuya one. On the other side, the opinions for Chemonics, Winrock and Care Codesu are very low for positive aspects and high in negative impacts, with the noticeable exception of social peace and security, for which all interventions have favourable opinions.

4. We think that this is very important point that in practically all the interventions farmers recognizes improvements in the climate of security and peace. This is a highly valued attribute of ADPs by farmers, as coca production generates a climate of violence and



insecurity, a climate from which many of them have escaped in the past and to which would not like to return in the future. This explains why so many farmers participated in ADPs interventions, despite expected negative impacts on their incomes. Likely, this is one of the major assets that in general ADPs has for being successful and which should carefully exploited to make better interventions.