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**ANNUAL MEETING OF THE GROUP OF EXPERTS ON COMPREHENSIVE AND
SUSTAINABLE ALTERNATIVE DEVELOPMENT (GEDAIS) OF THE INTER-AMERICAN
DRUG ABUSE CONTROL COMMISSION (CICAD) OF THE ORGANIZATION OF AMERICAN
STATES (OAS)**

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The annual meeting of the CICAD Group of Experts on Comprehensive and Sustainable Alternative Development (GEDAIS) was held in Lima, Peru, on October 13, 2023, with Peru serving as Chair and with the support of the CICAD Executive Secretariat. The GEDAIS annual meeting was attended by experts from 15 member states, one observer state, and guest observers.

Introductory remarks

Mr. Carlos Antonio Figueroa Henostroza, Executive President of DEVIDA, Peru, and Chair of GEDAIS

- Mr. Figueroa Henostroza welcomed and thanked the experts from the member states and the observers for their attendance, and he predicted important and useful outcomes for how the member states approached AD.
- He said that illicit drug trafficking (IDT) was more than criminal activity: it was a highly profitable global business model, which has a value chain associated with a criminal chain that binds families that are vulnerable to IDT to each of its links and makes them a fundamental part of its actions. CSAD is therefore an important tool for drug control, as it allows that vulnerability to be broken by promoting their transit to family-centered licit economies and thereby achieving socioeconomic profitability for their sustainability.
- Thus, static responses cannot be used to confront this highly versatile business model; instead, dynamic, proactive responses must be developed that allow effective blows to be struck. The illicit drug trafficking business manages logistics that are implemented with cutting-edge technology, sophisticated market studies, transportation chains, franchises for related crimes, and this requires innovative, effective, and forceful state responses. CSAD can have an important impact by disengaging the business's critical mass, which comprises families that are vulnerable to drug trafficking; this is particularly true given that the economic capacity of states cannot be compared to the revenue generated by drug trafficking, since drug trafficking is one of the predicate offenses of money laundering.

Ambassador Adam E. Namm, Executive Secretary, ES-CICAD/OAS

- Ambassador Namm greeted the attendees and extended his thanks to DEVIDA and the U.S. government.
- He said he was pleased that after four years, GEDAIS was able to meet in person.
- He noted that AD was part of the Hemispheric Drug Strategy and the 2021-2024 Plan of Action.

- He underscored the importance of the “Reference Framework for the Understanding of the Concept of Comprehensive and Sustainable Alternative Development,” adopted in 2019 at the 66th regular session of CICAD.
- He highlighted the role of the Multilateral Evaluation Mechanism (MEM) in evaluating drug control policies in the Hemisphere.
- He said it was important to remember that where illicit drug trafficking thrives, other illegal businesses also prosper, and, to that end, he suggested that work could be done on the creation of new value chains, involving the government, international cooperation, and the private sector.

Presentation: Alternative development challenges in natural protected areas and biodiversity preservation

Mr. José Isla Zevallos, Environmental Specialist, Directorate of Technical Affairs, DEVIDA, Peru

- Mr. Zevallos explained that Peru was a megadiverse country, with 84 of the 117 life zones, 72 million hectares of forest, more than 20,000 species of flora, 1,847 species of birds, 1,070 marine species, 523 species of mammals, and 55 native or indigenous peoples.
- He said that 23 million hectares were classified as Natural Protected Areas (NPAs); those areas are important, he said, because they are the origin of watersheds and can provide ecosystem services to sustain populations living in buffer zones.
- He identified the causes of some manifestations of environmental impact: the increase in the area turned over to coca cultivation, the construction of clandestine roads and maceration pits, illegal logging and related offenses, the excessive application of agrochemicals, coca cultivation on agriculturally unsuited land, and crops without vegetation cover.
- The impacts generated, he said, included the loss of biodiversity, loss of soil fertility, desertification, degradation due to erosion and landslides, reduced ecosystem services, and vulnerability to natural disasters and climate change.
- He also spoke about the runoff of agrochemicals into watercourses, the dumping of chemicals from maceration pits into natural sources of water, and the sliding of sediments from areas deforested by drug trafficking and illegal mining; these, he said, all caused damage to the health of populations, who were exposed to the presence of lead and cadmium in water for human and animal consumption, and they also threatened the extinction of aquatic biodiversity.
- He noted that a recent report from the Amazon Cooperation Treaty said that Peru, Colombia, and Brazil had reduced the volume of their inland fisheries by 50%.
- He said that 19% of the area planted with coca in Peru was located in the territories of indigenous communities, 15% in buffer zones, and 0.5% in natural protected areas.
- In view of that situation and taking into account Resolution 66/4, he presented the strategy for interventions in indigenous communities with an intercultural approach, respecting those communities’ worldviews.
- He also presented the CSAD sustainability strategy, which aims to give value to biodiversity through a series of ecosystem goods and services formulated as

economically, socially, culturally, and environmentally sustainable bio- and eco-environmental businesses.

- He shared the CSAD model for mitigating environmental damage in degraded soils through reforestation and the promotion of agroforestry systems, the starting points of which are the signing of memorandums of understanding for financing projects through local and regional governments, with a view to strengthening the management of carbon credits and other environmental services and re-establishing the capacity of ecosystems.
- In concluding his presentation, he identified the following priority areas for CSAD intervention: border areas such as Putumayo, the territories of indigenous and native peoples, and national conservation reserves and their buffer zones.

Discussion/dialogue with participants:

- Is the environmental impact of cocaine production comparable to the impact of synthetic drug manufacture? A: The environmental impact of coca cultivation involves soil degradation and desertification due to erosion and the excessive use of agrochemicals.
- Have there been cases of public-private collaboration on strategies related to carbon credits and the recovery of degraded systems? A: There have been isolated cases of this type of collaboration, since the private sector tends to focus on achieving short-term profitability; one case cited was that of a private company that has planted bolaina trees, which is a short-growing species, and is exporting this wood.
- Who pays for environmental services and how are payments applied in conservation areas? A: On the coast, farmers in lowland areas pay the Andean population to preserve the water resources of the highlands, which is considered a payment for environmental services. In the rainforest, however, the only current focus is on carbon measurement and carbon credit trading as payment mechanisms for environmental services.
- What interrelations exist between drug trafficking and crimes affecting the Amazonian environment, and what are the similarities and differences in the expansion of cultivation in Putumayo and on the Bolivian border? A: Groups involved in drug trafficking seek profit and often engage in illicit activities such as illegal logging, illegal mining, and drug trafficking, pressuring the purchasers and exploiting threatened timber resources. Regarding the expansion of crops in Putumayo and other areas, in view of the persistent eradication carried out by the government in the coca-growing valleys, drug traffickers have begun the displacement of coca crops to remote border areas such as Putumayo and others, where they can easily obtain chemical inputs through smuggling facilitated by corruption.

First thematic session: CSAD in the framework of the design of national drug policies and strategies

Moderator: Mr. Antonio Lomba, Head of the Institutional Strengthening Unit, ES-CICAD/OAS

1. **Gloria Miranda**, Director of Drug Policy and Related Activities, Ministry of Justice and Law, Colombia
 - Ms. Miranda set out the guidelines of the 2023-2033 National Drug Policy, which has the slogan “By sowing life we banish drug trafficking.” She also described the diagnostic study of community dependence on the drug trafficking economy, environmental degradation, violence and conflict, and stigmatization and criminalization.
 - She explained the “ladder” methodology for progressive transitions to the legal economy, according to which each territory is on a different step of the ladder, which determines the logic of interventions and their sequence.
 - She identified the measures being adopted in areas of special environmental impact, such as regenerative agriculture, ecotourism, forest economy, bioproducts, circular economy, timber and non-timber products, reforestation and knowledge generation, monitoring and education, and so on.
 - She concluded her presentation by explaining the criteria used with the municipalities for the demarcation of illicit crops, and she assured the meeting that Colombia continued to respect its international commitments.

2. **Stephanie Clavijo**, Adviser to the Evaluation and Monitoring Area, National Drug Secretariat, Uruguay
 - Ms. Clavijo explained that Uruguay is a drug transit country, and that the state is responsible for controlling and regulating the import, export, planting, production, storage, marketing, and distribution of cannabis and its derivatives.
 - For her country, therefore, the concept of CSAD for crop substitution was not applicable.
 - She said that for more than 20 years, Uruguay’s drug policy has been based on the risk and harm reduction paradigm, focusing on fragile communities to protect them from the risks of the illegal trade and on territories affected by trafficking, particularly micro-trafficking.
 - Regarding CSAD, she said that work should be done on a conceptual framework for CSAD oriented towards urban and preventive issues, using territorial diagnoses to generate programs focused more on urban and preventive aspects, and, given Uruguay’s characteristics, with a logic of horizontal construction, in which women themselves participate in the joint drafting of public policy.

3. **Derlis Eduardo Falcón**, Technical Staff, Alternative Development Directorate, National Drug Secretariat, Paraguay
 - Mr. Falcón explained the characteristics of the alternative development hemp program. He said that hemp was a variety of the cannabis plant with low THC content: in other words, it has no psychoactive effect.
 - Decree No. 2725/19 was the legal framework that established the general conditions for the production of industrial hemp (non-psychoactive cannabis).
 - He explained the criteria for the selection of producers and the safety protocol applied to authorized industrial hemp crops.
 - He said that industrial hemp was used in products such as thermal insulation, shelled seeds, and industrial oil.

- Finally, he provided some data on the industrial hemp program: 241 ha of planted area, 203 producers benefited, with an average yield of 500 to 600 kg/ha, for earnings of approximately US\$ 177,000.

Discussion/dialogue with participants:

- Ecuador:
The delegate said that Ecuador had decriminalized the use of hemp with a THC threshold of 1% but faced difficulties in controlling plants that exceeded that limit, and he asked how Paraguay carried out such controls. – A: In Paraguay, 0.3% THC is used as the threshold for a plant to be considered industrial hemp, and frequent random assays of authorized plots were used.
Are there any studies on the impact of industrial hemp? – A: Not as yet.
Does Paraguay's AD program provide for replacing psychoactive cannabis with other licit crops? – A: Not as yet.
Has Colombia conducted studies for the legal use of coca leaf? – A: Not as yet; policy maintains that legal uses of coca should be based on alkaloid-free leaf.
- How is Colombia going to implement the drug policy given the institutional dispersion (27 competent institutions)?
- What financing mechanisms does the Government of Colombia deploy for the implementation of this policy?
- What is the evaluation timeline of the Colombian drug policy? Do the indicators used include percentages for economic dependence, poverty reduction, level of schooling, and so on?
- Does Colombia's drug policy interact with other public policies? – A: Yes: Colombia's challenge is to coordinate with the communities.
- Remarks by Bolivia: In Bolivia, AD is called integral development and, before this strategy was implemented, farmers were stigmatized and affected by forced eradication. This strategy aims to achieve integral development and the rationalization of surplus coca crops.
- Remarks by the Peruvian Chair:
 - In conceptualizing urban alternative development, micro-trafficking should be distinguished from the micro-commercialization of drugs, the latter of which involves low-income families vulnerable to IDT at the micro-trafficking level and is the last link in the drug trafficking criminal chain.
 - Territories have their own characteristics and are heterogeneous; therefore, their peculiarities must be identified by carrying out soil studies and, in addition, the costs of their agricultural use or the development of non-agricultural productive activities must be taken into consideration.
 - In Peru, the greatest expansion of illicit coca crops is taking place in climatic zones different from the traditional areas; consequently, the Amazonian ecosystems are being damaged, including by pesticides and agrochemicals, since those soils have no potential for cultivating this crop and are mainly territories belonging to indigenous communities, dedicated to forestry or permanent forestry production.
 - Adopting the paradigm of placing families at the center of attention of AD policies is a positive development.

- We must rely on what we have positive references for and, at the same time, keep in mind that not every intervention has to be agricultural: in the case of natural protected areas (NPAs) in particular, consideration should be given to different possibilities: bio-businesses, rosewood, ecotourism, experiential tourism, tropical fruits such as camu camu or aguaje, all with a circular economy approach.
- The Chair reiterated the need to reflect on all the possibilities and different productive options, placing families at the center and taking all the structural gaps into consideration.
- Final thoughts (Mr. Antonio Lomba)
 - Mr. Lomba emphasized the consensus that all AD interventions must have prior studies of the soils to be used and market studies for the products that are to be promoted.
 - He also spoke of the consensus that existed on the need for meso-level land use planning in AD intervention zones.
 - Similarly, he stressed the importance of differentiated studies for working with indigenous communities, to enable the formulation of life plans as basic elements for planning those communities' development while respecting their worldviews.
 - Likewise, and agreeing with the Chair of GEDAIS, he spoke of the need to carry out studies to determine the profits that criminal drug trafficking organizations obtain from drug production and trafficking.

<u>Second thematic session: Alternative development as a containment strategy for environmental crimes</u>

Moderator: Mr. Héctor Fabio Santos, Adviser, Global Drug Policy and Development Program, GIZ, Germany

1. Ms. Luisa Sterponi, Coordinator of the Integrated Illicit Crop Monitoring System, UNODC, Peru

- Ms. Sterponi presented the results of the study conducted by UNODC in the Ucayali region.
- She said that coca cultivation had been shown to be a driver of direct and indirect deforestation: 75% of new coca cultivation between 2021 and 2022 was concentrated in forest concession territories (38%), concession-free permanent production forests (27%), and indigenous communities (21%).
- Coca cultivation, she said, encouraged deforestation, caused soil degradation, and led to land-use change due to subsistence crops and extensive cattle raising.
- She added that private initiatives for industrial crops also increased deforestation.
- She identified the following environmental crimes related to coca cultivation: logging, wildlife trafficking (flora and fauna), land-use change (clear-cutting for the installation of crops and other drivers), soil and water contamination due to the uncontrolled use of agrochemicals, corruption, fraud, falsification of forestry permits, money laundering in illegal mining, tax evasion, and so on.

- She showed satellite images of invasive coca crops and processing laboratories in the territory of an indigenous community.
 - She stated that land trafficking is the main link between environmental offenses, coca cultivation, and related crimes, and that this connection is due to weak information governance, which is exploited by criminal organizations that are the driving forces behind the corruption that enables land trafficking, creating spaces conducive to the consolidation and expansion of illicit economies.
 - She referred to the challenges faced by AD in the region studied: the convergence of environmental crimes, coca cultivation, and related offenses; the presence of transnational illicit routes; the limited presence of the state; the presence of threatened and vulnerable populations; the control of certain territories by criminal drug trafficking organizations; and those criminal organizations' financing of land invasions, deforestation, and coca cultivation.
 - Among the causes of those challenges, she identified weaknesses in information governance and management, the gaps existing in legal frameworks, the lack of resources among the competent authorities (logistics, trained personnel, equipment), gaps in technical capacities and access to technological tools, the reduced presence of the state in the territory, and high levels of vulnerability among the population.
 - She reported the existence of drivers for coca cultivation: access to cross-border river, land, and air routes; the interference of drug traffickers in politics and the interconnections among criminal agents (territorial control, use of shared logistics, laundering, etc.); the promotion of internal and external migration; corruption driven by criminal organizations in public and private institutions; the presence of Peruvian (VRAEM) and Brazilian (Comando Vermelho) criminal groups; and the huge economic earnings offered by illegal activities.
 - In concluding her presentation, she presented a proposal to use AD to help mitigate environmental crime, starting with studies that include mapping AD initiatives (spatial distribution analyses), multidimensional characterizations of the territories, and analyses of their specific dynamics, so that targeted and participatory strategies can be designed on the basis of that evidence and the transformations of the territories associated with AD can be identified and monitored.
- 2. Fredrica Whyte**, Agricultural Specialization Supervisor, Cannabis Licensing Authority, Jamaica
- Ms. Whyte presented Jamaica's experience with implementing its AD program, which aims to provide farmers with a viable and legal economic alternative, thereby crystallizing their desire to earn decent incomes.
 - She said the AD program was implemented with a long-term integrated approach involving all stakeholders to address the causes and consequences of poverty.
 - She also explained that the AD process was guided by participatory decision-making processes in the target communities, taking due account of the values, traditions, and customs of the communities and civil society.
 - She said that the AD model adopted by Jamaica focused on market substitution and promoted the transition of cannabis crops from community-based

cultivation toward a regulated legal framework as a means to promote sustainable economic development and the eradication of poverty.

- AD in Jamaica, she said, was in line with the 1998 Plan of Action adopted by the United Nations General Assembly, which provides for the inclusion of AD through rural development measures consistent with sustained national economic growth.
- She spoke of the following environmental problems associated with agriculture: land ownership, poor soil and water management, slash-and-burn practices, excessive use of chemicals for pest and disease control, excessive use of chemical fertilizers, and improper disposal of agricultural waste.
- She then shared the solutions to environmental problems that are being considered: clarity of land tenure to promote more responsible agricultural practices; government oversight for the implementation of more responsible agricultural practices; and the promotion of good agricultural practices, environmental education, and environmental responsibility in the AD program's participating communities.
- The AD program, she said, was based on a community-centered approach, which established community rules and agreed on agricultural practices; set environmentally friendly waste disposal guidelines in accordance with local and international guidelines; established and maintained records to manage the use of fertilizers, pesticides, and other chemicals; and conducted assessments of soil health by analyzing the content, distribution, and ratios of nutrients and soil microbes.
- She finally spoke about the medical regime to support safe use, which entails the involvement of community groups with traditional cannabis producers in order to provide education and guidance at all steps of the transition to the medical cannabis industry.

3. Gabriela de Luca, Project Coordinator, UNODC, Brazil

- Ms. de Luca reported on the National Strategy to Mitigate and Repair the Impacts of Drug Trafficking on Indigenous Territories and Populations, which has been launched as part of SENAD's Drug and Asset Management Policy.
- She said that the main focus of the Center for the Study of Drugs and Community Social Development (CDESC) was the design and provision of support for the formulation of public policies based on principles of social and community development, with an emphasis on the most socially vulnerable communities and groups.
- She explained that the idea was to localize and adapt alternative development concepts to the realities of Brazil, going beyond crop substitution approaches.
- She reported that according to CDESC studies, drug trafficking is a serious threat to the Brazilian Amazon: in 2022, Brazil's highest violent death rate was in the Amazon region, which accounted for one out of every five violent deaths.
- She said that the region was strategically located for drug trafficking due to its proximity to the world's main cocaine producers (Bolivia, Peru, and Colombia).
- Drug trafficking uses the same routes, the same labor force, the same internet connections, and the same fuel sources as illegal mining, illegal logging, illegal fishing, and so on.

- She explained that the strategy promotes access to income-generating opportunities and, at the same time, seeks to reduce the risk factors associated with the presence of drug trafficking and other criminal networks in indigenous populations and territories, such as the Yavari Valley, where the largest number of uncontacted indigenous populations are concentrated.
- She said that the main drug consumption problem in indigenous communities was alcohol, whereas in large cities it was base cocaine and cannabis.

Discussion/dialogue with participants:

- Has Paraguay determined the costs and traceability of industrial hemp crops? A: Participation in the program is costly: obtaining a license requires a guarantee of around US\$ 1,000, in addition to the installation of surveillance systems.
- To what extent do you think that AD can correct the convergence of criminal offenses and environmental problems? A: By working to build synergies between environmental and policy measures.

Third thematic session: Commercialization of alternative development products and positioning in sustainable markets

Moderator: Ms. Heldren Solórzano Manzanares, Deputy Director General, Costa Rican Drug Institute, Costa Rica

- 1. Juan Carlos Rodriguez**, Coordination of Partnerships, Territorial Articulation Directorate, DEVIDA, Peru
 - Mr. Rodriguez reported on the AD model, which is centered on the CSAD beneficiary families and has a value chain approach, with sequential activities to support producer organizations in production, processing, marketing, and market access.
 - This model, he said, promotes partnerships and productive diversification, and he went on to present its achievements, highlighting the work in coffee, cocoa, fariña, fruits, vegetables, kion ginger and turmeric, fish farming, beekeeping, forestry timber, small animals, textiles, and handicrafts and tourism, which is being carried out with 248 organizations comprising more than 19,000 families.
 - He also reported on the support given to organizations for transforming their products, with equipment and modules for the processing of cocoa, coffee, fruit, baked goods, and fish farming.
 - He also reported on the support given to organizations seeking to register their brands and obtain their sanitary registrations and organic certifications.
- 2. Patawee Chotkirativech (TK)**, Senior Program Manager, Mae Fah Luang Foundation, Thailand
 - Ms. Chotkirativech gave a presentation on Thailand's experiences in marketing alternative development products, explaining that the motto "Helping people to

help themselves” proclaimed by HRH Princess Srinagarindra guided the actions of the Mae Fah Luang Foundation.

- The goal, she said, was to transform people by supporting businesses in the food, coffee, macadamia, handcrafts, horticulture, and tourism sectors.
- She said that the production and commercialization processes were based on the idea that “people should never buy products out of pity or charity because they will only buy them once”: in other words, good quality products are what should be offered.
- To that end, the following factors were important:
 - The development of a brand (Doi Tung, which is the brand that Thailand has positioned in the market).
 - The setting of very clear standards for the production of AD products (quality is the key).
 - That products are developed with “what customers want” in mind.
 - That they contribute to the creation of local jobs.
 - That attention is paid to shifts in market trends.
 - That the products and services “create experiences and tell stories.”
 - The ability to be resilient and adapt to situational changes, such as e-commerce.
- She concluded her presentation by stating that they have managed to make the AD production processes environmentally and socially responsible.

3. Mark Gizzi, Director of the Sustainable Development Office, USAID, United States

- Mr. Gizzi reported that the aim of the USAID/Peru Alternative Development Program was to expand sustainable economic and social development in areas affected by illicit coca production and that the components of the program were technical assistance for small producers, market access, financial and digital inclusion, local governance, and institutional strengthening.
- He explained that in Peru the private sector created most of the jobs and drove many innovations, and that investment and technology transfer were crucial for improving agricultural productivity and product quality.
- He said that with private sector companies that have highly specific knowledge and expertise in production and marketing, USAID supports small farmers and their families in remote and underserved areas that were previously affected by coca cultivation.
- He shared some examples of agreements and partnerships with private sector companies, such as Olam Food Ingredients (OFI), a global food and agribusiness company; JDE Peet’s Coffee, a leading coffee company/buyer; Huancaruna S.A.C. (PERHUSA), Starbucks coffee; Rivulus, a micro-irrigation company; Yara, a global fertilizer company; Icam, an Italian cocoa purchaser and chocolate producer; and Romex, a Peruvian exporter of cocoa and coffee.
- He said that the activities of USAID were focused on export markets and helped small farmers access international markets, increase their income by improving productivity and quality, obtain organic, fair trade, and other certifications, and meet environmental, social, and health standards.
- He noted that USAID also worked with the Government of Peru to promote domestic consumption of higher quality Peruvian products.

- He said that USAID encouraged the participation of producers and their organizations in national and international trade fairs and exhibitions.
- He said that AD entailed both challenges and opportunities, with the former including environmental regulations and deforestation and organic production standards for agricultural exports.
- He concluded his presentation by noting that in recent years, the incomes of cocoa-producing families had increased by 60% and those of coffee-producing families by 200%.

Conclusions and closing

Ambassador Adam E. Namm, Executive Secretary of CICAD/OAS

- Ambassador Namm highlighted Peru's valuable leadership as Chair of GEDAIS and said how that role had significantly enriched and broadened the discussion on AD within the expert group.
- He recognized Peru's commitment in this crucial area and its contribution to advancing more effective approaches.

Mr. Carlos Antonio Figueroa Henostroza, Executive President of DEVIDA, Peru, and Chair of GEDAIS

- Mr. Figueroa Henostroza highlighted the importance of understanding the drug trafficking business model and the need for a holistic approach that focused on people rather than simply replacing crops.
- He stressed the importance of basing solutions on scientific evidence and of driving economic and social development.
- He highlighted international dialogue and the exchange of best practices as essential elements in effectively addressing the challenges associated with illicit drug trafficking and AD.
- The meeting was adjourned.

Future alternative development issues

During the meeting, several topics were proposed for discussion at future GEDAIS meetings:

- AD with a gender focus.
- Urban AD.
- Role of indigenous communities in AD.

Lima, October 2023