



SOCIAL AND ECONOMIC REHABILITATION OF FORMER OPIUM POPPY-GROWING COMMUNITIES – ALTERNATIVE LIVELIHOOD DEVELOPMENT IN LAO PDR

A UNTFHS funded project implemented by the UN Industrial Development Organization (UNIDO) and the UN Office on Drugs and Crime (UNODC)
February 2007 – June 2011

Beneficiary Success Stories

Background

Through successful Government actions, opium cultivation had been significantly declining in Laos. However, the country remained at a critical juncture, with many of the former opium producing communities on the verge of reverting back to poppy cultivation due to a lack of income generating alternatives. Moreover, ending cultivation was only the first step for the sustainable elimination of opium. Households previously dependent on opium cultivation were often more vulnerable than other households not associated with opium, lacking access to basic infrastructure, healthcare and education services as well as suffering from much higher rates of opium dependency. Therefore, to finally eliminate opium cultivation required addressing broader development needs of these communities.

In response, UNIDO and UNODC launched the Alternative Livelihood Development (ALD) programme to contribute to the Government's efforts to reduce dependency on illicit drugs. The programme focused on assisting farmers in securing alternative livelihoods as well as ensuring an environment conducive to the sustainable elimination of opium growing through the social and economic development of former opium growing communities.

Mr Bounthai, Sesame oil processing as the alternative



Mr Bounthai lives with his wife and five children in Houay chai village, La district, Oudomxay Province. He is a farmer that now grows galangal, sesame and mulberry trees thanks to the ALD programme. In doing so, he can earn up to 7,889,000 kip annually. Plus, he earns an additional 800,000 kip/year through his broom-grass and bamboo collection activities.

When the programme first came to his village, Mr. Bounthai became immediately involved and actively collaborated with programme staff to plan for extending income generating activities to other areas. Through his involvement, he became acquainted with and joined a sesame Village Productivity Group (VPG), a collective of sesame farmers. His VPG borrowed money from the

Village Savings and Credit Fund (VSCF) in order to purchase enough sesame seeds to produce sesame oil, a more lucrative product. The sesame seeds cost 8,000 kip/kg, and to produce one litre of sesame oil they needed 6 - 7 kg of seeds. With the loan, they were able to produce sufficient quantities of sesame oil, which they sold to the Productivity and Marketing Centre for 140,000 kip/litre. The profits were used to pay back the loan and to provide

additional income for the VPG members. With strong leadership and commitment, the group intends to continue sesame oil production in the future.

Mr Bounlieng, Owning a small shop

Mr. Bounlieng, a 54 year old man, lives with his wife and five children in Houay chai village, La district, Oudomxay province. Ten years ago, Mr Bounlieng opened a small shop in his house with very little capital. However, to support his family, he had to undertake additional activities – such as planting maize, sesame and peanuts, and raising chickens – in order to supplement his income from the shop.

After the VSCF was established in his village, he borrowed 800,000 kip to purchase additional goods for his shop. Within three months he was able to pay back his loan with interest (831,000 kip) and still earn a profit of 300,000 kip. In January 2009, he received a second loan, amounting to 1.3 million kip, which again he repaid within three months. The additional infusions of money from the VSCF have allowed Mr. Bounlieng to expand the types of products he offers, better meeting the demand within his community.

“VSCF provides a good opportunity for the villagers, especially myself, to get some funds to invest in livelihood activities for poor people”, says Mr. Bounlieng.

His small business now provides him with enough income to support his family without having to undertake additional income generation activities. He is extremely content to focus on his shop and plans to continue to grow the business with the additional experience and financial support he has gained through the ALD project.

