

# POST OPIUM SURPASS POVERTY (PSP)



Social and economic rehabilitation of the former opium-poppy growing farmers

- Alternative livelihood development -



UNITED NATIONS INDUSTRIAL  
DEVELOPMENT ORGANIZATION



GOVERNMENT OF LAO PDR



UNODC

United Nations Office on Drugs and Crime

## Background

The joint UNODC/UNIDO project of “Social and economic rehabilitation of the former opium – poppy growing farmers – Alternative livelihood development” is one of the responses of the Lao Government to the crucial development issues facing the country at present. The National name for the joint project is Post Opium Surpass Poverty, PSP, project, which is in the heart of northern Laos, in the Province of Oudomxay.

The project’s objectives are streamlined with the government’s National Growth and Poverty Eradication Strategy, NGPES, which is an inclusive framework for growth and development with a special dual focus on promoting sustainable growth and alleviate poverty with an overall objective to free the country from the status of a least developed country by 2020.

Lao PDR is the world’s third largest producer of illicit opium of which 50% is consumed locally. The Seventh Party Congress has therefore established opium eradication as one of its national priorities.

Illicit opium production is linked with organized crime, which may result in undermining national security, stability and peace, elements that are at the core of poverty eradication and providing food security. In order to secure these development preconditions, the United Nations Trust Fund for Human Security, UNTFHS, is financing the project in order to promote drug reduction and elevate minimum living standards across targeted communities.

Although opium cultivation has been reduced and Lao PDR is close to reaching its goal of eliminating opium, there is a concern about the sustainability of the eradication and its impact on former opium poppy growing communities.

To address this situation, UNODC and Lao Government have outlined a new national program strategy for the post-opium scenario entitled “National Drug Control Masterplan (2009-20013)”. The aim is to integrate the latter with the NGPES, which has been integrated with the Millennium Development Goals (MDG), that will be reached when the NGPES is realized.

Provision of alternative livelihoods to match the opium elimination and the promotion of sustainable industrial development as a way of alleviating poverty are the main objectives of UNIDO-UNODC co-operation with the Lao government. While UNODC will contribute to a drug free environment and improved living conditions for targeted communities by providing socio-economic development and viable, legal alternatives to opium, UNIDO will provide technical assistance in order to enhance productive activities and build trade capacity at village district and provincial level. In that sense, the socio-economic constraints due to location, topography and

remoteness of many of the target villages are effectively tackled on by combining the technical expertise and comparative advantages of both organizations to assist the Lao Government in creating a better life for the Lao people.

PSP project draws from the expertise of the two organizations, UNIDO and UNODC, to foster development, in partnership, of Northern Laos.



Village Productivity Groups participating to the Lao National Handicraft Festival

## Project Objectives

The PSP project has as its target areas three districts in Oudomxay: Xay, La and Houn with altogether 20 target villages assigned by the provincial Government. The project has a dual focus in drug demand reduction and in alternative livelihood creation.

### For drug demand reduction:

- Opium elimination: Create a sustainable human environment that will enable illicit opium production to remain eliminated with amelioration of living conditions of the communities involved.
- Treatment and support: Ensure coping strategies adopted by former opium farmers are consistent with proper environmental resource management practices; provide treatment to recovering addicts and prevent relapse.

- Preventive measures: Ensure that other drugs such as ATS are prevented from taking the place of opium as a major health and social problem; prevent cross border and transit trafficking of illicit substances.

### For alternative livelihoods creation

- Income generation: To increase the per capita income in a sustainable manner and to enhance the rural households' capacity to generate income.
- Sustainability of development: To strengthen the role of the private sector in macroeconomic growth and the generation of employment opportunities.
- Productivity and Marketing Center: To set up a focal point linking Village Productivity Groups and Private Sector.

- Employment creation: To renew the links between formal/ non-formal education and employment opportunities and to improve them by providing tailored non-formal vocational trainings to the communities with a special attention to the gender equality.
- Entrepreneurship: To support the small scale domestic businesses in their start-up and to foster an enabling framework for the medium sized enterprises in the northern province.
- Improve natural resource use and agricultural practices: To enhance the capacity of the rural communities wholly or partially dependent on forests and non-timber forest products for their living and for small-scale cash income.



Pulping Bamboo in Ban Mai



Preparing the bamboo fibers

## Implementation

The project is implemented under the technical and administrative supervision of the UNODC Country Office and the UNIDO Project Manager following UNIDO's rules and procedures. A National Project Director (NPD) is based in Oudomxay to liaise with donor community and donor technical groups at national level.

In the field, day-to day implementation is carried out by the Technical Advisors from UNODC and UNIDO in cooperation with local counter parts staff from the Lao National Committee for Drug Control and Supervision and from Ministry of Industry and Commerce.

The project staff gathers in weekly meetings to plan and coordinate activities among the two organizations so to guarantee a smooth and effective implementation.

All technical as well as soft skills training courses are conducted by qualified trainers recruited by the project.

To support and expand the project's outputs, numerous short-term consultants as well as subcontractors contribute to the project activities through their expertise.

Finally, a monitoring and evaluation survey at regular intervals is conducted at regularly intervals by an independent Non for-profit association (NPA) to asses the quality and efficiency of the project.





Improving papermaking technology



Lamp-making workshop



Inauguration of water storage tank



Providing water supply in Ban Mai

## Sesame oil processing by Mr. Bounthai

Mr. Bounthai lives with his wife and 5 children at Houay chai village, La district, Oudomxay Province. He is a farmer and every year he and his family planted Job's tears, galangal, sesame and mulberry/Posa tree for income generating activities. He could earn 7,889,000 kip per year and in addition, they collected broom-grass and bamboo shoots for about 800,000 kip. When the PSP Project came to his village, he actively collaborated with the project staff and planned for more income generating activities. He joined the sesame Village Productivity Group (VPG) and his group borrowed money from the Village Saving and Credit Fund. The sesame seed cost kip 8,000/kg and to produce one litre of sesame oil, he needs 6-7 kg of seeds. The sesame oil is sold to the Productivity and Marketing Centre (PMC) for Kip 140,000/ litre, which sells the oil in Vientiane. Profits are used to pay back the loan and to provide additional income for the VPG members. With his strong leadership and commitment to the activity, the group intends to produce more oil in the future.



The Bounthai family pressing sesame



## Setting-up a small shop by Mr. Bounlieng

Mr. Bounlieng is 54 year old and lives with his wife and 5 children in Houay chai village La district Oudomxay province. Mr. Bounlieng opened a small shop at his house 10 years ago with only little capital. Thus, he has to do additional activities such as, maize planting, sesame and peanut pressing and poultry raising. After the Village Savings and Credit Fund had been established in the village, he borrowed 800,000 kip to

purchase goods for his shop. After 3 months, he paid back his loan plus interest (831,000 kip) to the VSCF and made 300,000 kip profit. In early January 2009, he received his second loan, amounting to 1.3 million kip which he will repay after 3 months.

Mr. Bounlieng loves his job and he will continue it because the experience has been good and it also brings additional income for his family. He is happy and he said that "VSCF provides a good opportunity for all the villagers, including himself, to get some funds to invest in livelihood activities for poor people".



Mr Bounlieng in front of his stall

## Three year project extending to 2010

### Achievements by end of March 2009

- 29 participants from 12 companies have participated in a traders meeting and new enterprise creation workshops
- 30 Village Productivity groups, in 16 target villages, participating actively in the skills training and community development workshops
- 558 trainees have acquired new skills in agro-processing
- 37 technical training involving 445 members of Village Productivity Groups
- 5 soft skills training such as business skills and entrepreneurship improvement training for Village Productivity Groups and local traders
- Provision of material, tools and processing equipment such as pulping machines, procured and handed-over to the VPGs
- 2 nursery specialists hired to improve agricultural productivity and guarantee sustainability of natural resources
- Marketing opportunities identified and 18 contracts prepared for VPGs
- Productivity and Marketing Centre, PMC, set up, with inauguration Spring 2009
- 20 Village Development Committees established
- 14 VSCF benefitting 831 households
- 145 drug addicts treated and rehabilitated within the communities
- 5120 people attended the drug awareness trainings conducted at province, district and village level
- 3 irrigations schemes for 32 families and supplying water to 21.52 hectares of paddy field
- Provision of 3 rice banks, 2 village drug revolving funds and micro-credit funds for 14 target villages
- Land use planning and land allocation in 7 villages benefitting 720 families

- 6 villages provided with a completely constructed water supply system benefiting 3770 people trained by water user committees
- Training in primary health care conducted in 9 villages
- 1986 impregnated mosquito nets distributed in 20 villages
- 1 market shelter for 4 villages constructed

#### **Further objectives:**

- To enhance the coverage and operation of the social services
- To improve or construct more infrastructure
- To reverse the trend of low percentage of women participating in all socio-economic activities
- To combat the scarce employment opportunities worsening further in the coming years due to the rapid population growth by supporting the creation of small scale businesses
- To reverse the tendency of geographic isolation resulting in economic marginalization, especially in remote areas

- To enhance food security by tackling the issues of the shortening of the fallow period having a negative impact on soil fertility, yields, and food production in upland areas
- To sustain the income generation activities of the Village Productivity Groups, VPGs and the established Productivity and Marketing Center
- To improve the market access of VPG products
- To prevent the spread of Amphetamine Type Stimulants, ATS and minimize the risk of opium demand being replaced with ATS demand
- To address the gender inequality issues to avoid them from hampering the potential of the women to participate in the income generation activities
- To develop a sustainable model for the use of the declining forest resources, so as not to reduce the opportunity for generating income from them

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Mr Ju-Tong and his family, all beneficiaries of the PSP project