



**USAID** | **PERU**  
FROM THE AMERICAN PEOPLE

# PERU ALTERNATIVE DEVELOPMENT PROGRAM (PDA)

Final Report



**JUNE 2008**

This publication was produced for review by the United States Agency for International Development. It was prepared by Chemonics International Inc.

PDA / ANTONIO MARTINEZ



**This woman lives on the border of Tingo María and Aguaytía, in one of the 100 communities that benefited from potable water installed by PDA.**

# PERU ALTERNATIVE DEVELOPMENT PROGRAM (PDA) Final Report

USAID Contract No. 527-C-00-04-00043-00



PDA / SEAN KILLIAN

**PDA technical assistance helped beneficiaries in the 802 participating communities grow quality alternative crops.**

# CONTENTS

<b>EXECUTIVE SUMMARY</b> .....	1
<b>PERU'S ALTERNATIVE DEVELOPMENT CHALLENGE</b> .....	5
<b>MANAGING INSECURITY</b> .....	11
<b>ERADICATING COCA</b> .....	15
<b>HOW INTEGRATED DEVELOPMENT WORKS</b> .....	21
<b>SUPPORTING BEHAVIOR CHANGE THROUGH COMMUNICATIONS</b> .....	33
<b>MONITORING AND EVALUATION</b> .....	39
<b>LESSONS LEARNED</b> .....	43

**FRONT COVER:** A PDA farmer inspects his cacao crop.

PDA / Antonio Martínez

**BACK COVER:** PDA completed more than 600 infrastructure projects, including this bridge, in communities across Peru.

PDA / Antonio Martínez

PDA / ANTONIO MARTINEZ



**Local labor was often used to package and ship products grown by PDA beneficiaries.**

# EXECUTIVE SUMMARY

From October 2002 through June 2008, PDA was the centerpiece of USAID/Peru's alternative development (AD) portfolio. When PDA began, it introduced a requirement that a community must voluntarily eradicate illicit coca before it could receive AD benefits. This up-front eradication requirement was innovative and risky, and was a significant shift in USAID/Peru's AD approach. Since then, PDA has met, and surpassed, annual voluntary eradication (VE) targets, with a cumulative total exceeding 14,000 hectares. In approximately 800 communities, more than 59,000 families remain active participants in the program. With PDA assistance, communities have implemented or improved more than 43,000 hectares of licit crops and completed more than 680 infrastructure projects. Instead of fomenting resistance and ill will, as some had predicted, VE set a productive tone and became one of PDA's defining features.

In May 2006, after demonstrating the success of the VE approach in 720 communities, PDA took on the bigger challenge of working in Tocache, which had recently undergone programmed eradication under the Government of Peru's anti-narcotics program. Because farmers in Tocache had not voluntarily eradicated their coca, resistance was strong. Once PDA took root, however, the results were particularly impressive. In Tocache, 5,872 families from 87 communities participated. In many cases, mayors or city councils sped up the process by helping PDA approach communities. The Tocache methodology was similar to the one used in VE communities: a combination of rapid-response mechanisms, followed by the installation of permanent cash crops and economic development activities.

At its core, PDA was about helping rural communities that have re-

nounced coca to embrace licit, productive, and sustainable economic lifestyles. It included broad changes to a community's standard of living, to its social relations, and to its perceptions of the future. Farmers needed an economic mainstay to replace coca, but they also required investments in education, health, infrastructure, and community development, so they could renounce coca for good.

PDA helped ensure progress toward these goals through outreach and communication campaigns that engaged local and national audiences in a discussion about coca eradication. The project adopted a three-track communications strategy, gearing messages for specific audiences. For some messages, the project relied on mass media to raise national awareness; other messages engaged opinion leaders and influential groups. A third set of messages was tailored to coca-growing communities and spread personally, from project staff to local leaders and other community members.

Taking into account how different audiences best receive information, the PDA communications team customized messages to match a community's values, history of dependence on coca, and hopes for the future. Building trust was important, because messages from outside the community can be viewed with suspicion. The messages were thus decidedly local in content, and intended to be spread by local people.

PDA and the National Commission for Drug-Free Development (Comisión Nacional para

el Desarrollo y Vida sin Drogas, or DEVIDA) developed national media campaigns for television, radio and billboards, and other advertising media. These campaigns stressed the negative impact of coca at all levels, including violence in rural communities, the limits it places on young people, and the corrosion of social values. PDA often invited journalists to see the projects for themselves. Because of PDA's efforts, the public now understands that some 90 percent of coca production sustains organized criminal networks, and Peruvians have a more negative attitude toward coca production.

This suite of communications and outreach efforts complemented a mix of material benefits that PDA tailored to match participating communities' priorities. The package included the construction of social and productive infrastructure, and support for cash crops, livestock, and small animals. In programmed eradication communities, PDA added cash-for-work programs. Project staff continually visited beneficiaries to verify that they were coca-free, provided technical assistance in cultivation techniques and reforestation, strengthened producer associations, educated communities about the hazards of coca, and boosted community socialization.

In terms of agricultural products, PDA focused on cacao, coffee, and oil palm. There is an external demand for these goods, and as the crops reach maturity in 2009 and beyond, there will be opportunities along the value chain to keep the monetary benefits close to communities that gave up coca to



PDA / ANTONIO MARTINEZ

Even a simple footbridge can improve life in rural communities, making it easier for people to conduct trade, communicate, and send their children to school.

grow alternative crops. The 23,000 hectares of cacao planted through PDA's support represent 48 percent of the nation's cacao, and will generate some \$20 million in 2009. Full production, which will generate more than \$36 million, is expected by 2011, and will transform the economies of San Martín, Ucayali, and Huánuco.

Beyond its major investments in cacao, coffee, and palm, PDA in-

vested in plantains, pineapple, cotton, corn, grasses, hearts of palm, rice, citrus, and small livestock. The project's aim was to help farmers transition from coca and subsistence production to high-value production. Most important, however, were the more ambitious goals: to foster attitude change, to strengthen the social fabric, and through integrated economic and social interventions, to guarantee that farmers will not replant coca.



PDA / ANTONIO MARTINEZ

**PDA helped communities build 122 new schools and more than 200 classrooms, including this one in San Martín, as a part of the voluntary eradication process.**

## CHAPTER ONE

# PERU'S ALTERNATIVE DEVELOPMENT CHALLENGE

Coca has long been a part of Peruvian life. For centuries, it has been used for indigenous rituals, medicinal purposes, and as the principal ingredient in a local tea. Beyond these traditional uses, however, coca has also been converted into cocaine and illegally trafficked into countries around the world, including the United States. As part of the worldwide campaign against drugs, USAID and other international donors are attempting to curb illicit coca production by offering alternative crops to the farmers who grow it. Alternative development is no easy task — coca commands a high price and is easy to produce, transport, and sell. Small farmers can also earn a higher income from coca than they can from most legal crops.

Few tasks in the USAID portfolio are more challenging than

AD. The Peru Alternative Development Program combined traditional assistance activities — agricultural technology transfer, business development, microfinance, behavior change communications, civil society strengthening, natural resource management, and local governance — with voluntary eradication. In an environment that has traditionally opposed the presence of certain government agencies, or where government is largely absent, PDA concentrated its support on clients who chose to abandon illegal behavior.

Geographic and sociopolitical conditions in Peru's principal coca-growing valleys make AD difficult; these conditions also render it all the more urgent. Dependence on illicit coca production limits farmers' growth potential and brings with it

## PERU AT A GLANCE

**Population:** 29,180,899 (July 2008 estimate)

**Population below poverty line:** 44.5% (2006)

**Rural population:** 25.4% (2005)

**Literacy:** 87.7% (77% in rural areas)

**Life expectancy:** 68 years male, 72 years female (2007)

**Infant mortality rate:** 29.96/1,000 (2006)

**Per capita GDP:** \$3,368 (2006)

**Agriculture's contribution to GDP:** 9.2% (2006)

**Annual economic growth rate:** 8.0% (2006)

**Exports:** \$23.7 billion gold, copper, fishmeal, petroleum, zinc, textiles, apparel, asparagus, coffee (2006)

**Major markets:** U.S. (30%), China (11%), Chile (6.6%), Canada (6.0%), Switzerland (4.6%), Japan (3.6%), Spain (3.3%), Netherlands (3.1%) (2005)

**Main agricultural products:** coffee, asparagus, paprika, artichoke, sugarcane, potato, rice, banana, maize, poultry, milk

negative economic and social consequences.

Many coca-growing communities are still underdeveloped: they lack potable water, electricity, schools, health facilities, and good roads. Their lands have been deforested, and they live in the simplest of homes, at the mercy of violent actors competing for control of the region. Private investors shy away from coca-growing areas, perpetuating a cycle of dependence on the crop.

From October 2002 through June 2008, PDA was the centerpiece of USAID/Peru's AD portfolio. PDA's approach demonstrated that alternative development no longer means simple, unconditional crop substitution, or even straightforward agricultural development. After communities voluntarily eradicated illicit coca, they were required to sign an agreement to remain coca-free before receiving program benefits. With that agreement in place, PDA began its work, supporting improved livelihoods of rural people through a holistic, multifaceted approach that addressed poverty and social exclusion, encouraged environmental sustainability, and enhanced good governance. PDA also created links with the majority of USAID/Peru's other projects working in health, education, and democracy and governance.

PDA worked with many partners, in particular with the government's National Commission for Drug Free Development (DEVIDA). DEVIDA representatives were housed in some of the project's regional offices to guarantee stronger coordination and to make efficient use of resources.

Recent surveys conducted by DEVIDA indicate that in many PDA-assisted communities, coca was viewed negatively by the majority of people, while in regions with entrenched narcotics trafficking interests, such as Tocache and Aguaytia, fewer people held negative attitudes about coca or agreed that it should be eradicated. Across regions, however, most people clearly felt that coca brought violence and delinquency. The same DEVIDA surveys show that between 2005 and 2006, the number of farmers content with the PDA framework rose by 20 percent. PDA beneficiary families were also more likely to agree that their communities had improved in the last two years, to affirm that women had a more prominent role in community decisions, and to report a greater increase in family income (23 percent vs. 9 percent in communities that did not participate in PDA).

Another DEVIDA survey, conducted in December 2007 in Ayacucho, Huánuco, San Martín, and Ucayali, found that

# GEOGRAPHIC DISTRIBUTION OF PDA-SUPPORTED DEPARTMENTS



# PERUVIAN PERSPECTIVES

## Farmer Charts Own Coca-Free Path

USAID's Alternative Development Program offers Elmer Fernandez legal ways to make a living



PDA / ANTONIO MARTINEZ

*I always wanted to work legally, with my head held high, not lowered in shame. With the assistance from PDA, that is what I am doing.*

— Elmer Fernandez, palm farmer from Tocache, Peru

My homeland is the Monzón Valley, but my parents brought me to Tocache [in the San Martín region] in 1985 because the valley had developed such severe coca problems. When my father became ill, I worked to support the family by planting a little bit of coca, corn, plantains, and yucca. Before long, I had almost two hectares of coca.

When forced coca eradication began in the area, many of us didn't know what to do to support ourselves so we created an association and started to work with the PRA project [USAID's Poverty Reduction and Alleviation project]. This project helped us to promote the production of palm oil by developing a link to the market. We decided to plant palm because it doesn't deplete the soil the way rice does.

In the beginning, we faced a lot of obstacles. It wasn't easy to obtain seeds, fertilizers, or loans for our palm, and some of us returned to planting coca. Then, the PDA program arrived, offering technical assistance and teaching us how to raise crops and animals. A group of 20 of us voluntarily eradicated our coca and told PDA that we could plant crops on our own. Instead, we would much rather have a processing facility [for palm oil] — an alternative that would have a greater impact and ultimately allow us to live with dignity.

During the following year, more people joined the program, raising the budget for our community to 80,000 soles. Since the beneficiaries have a say in how technical assistance is implemented, we negotiated with PDA to let our association manage the palm-oil project. In 2006, PDA approved ours as the first palm oil project.

The *cocaleros* see our progress and ask if they will be able to join in the future. I was born and raised amidst coca, and I can tell you that I never achieved anything in all those years. I always wanted to work legally, with my head held high, not lowered in shame. With PDA's assistance PDA, that is what I am doing.

*The text above is condensed from a longer interview with PDA beneficiary Elmer Fernandez. Tocache pioneered the palm project and Fernandez cultivates some of the more than 4,130 hectares of palm supported by PDA.*



PDA / ANTONIO MARTINEZ

**Community infrastructure projects funded by PDA are giving new opportunities to farmers and their families.**

a majority were aware of the problems caused by illicit coca production and narco-traffickers in the regions. Nearly 29 percent of those surveyed felt that all coca (even that grown legally) should be eradicated; in San Martín, that number was 50 percent. Approximately 66 percent of people surveyed felt that drug traffickers threaten them, and 42 percent felt that illegal coca cultivation contributes to delinquency, robbery, and extortion in their communities.

Since its inception in 2002, PDA has met, and surpassed, annual voluntary eradication targets, with a cumulative total exceeding 14,000 hectares. In approximately

800 communities, more than 59,000 families remain active participants in the program; more than 43,000 hectares of licit crops (primarily cacao, coffee, and palm) were implemented or improved; and more than 680 infrastructure projects were completed. Following a verification study conducted by Cuerpo de Asistencia para el Desarrollo Alternativo (CADA, the Peruvian government entity responsible for identifying coca-producing communities and measuring coca fields before and after eradication), it was determined that coca replanting in PDA communities remains minimal — perhaps the clearest sign of the project's continued success.

PDA / ANTONIO MARTINEZ



**PDA's communities benefited from infrastructure projects, such as potable water, as well as from agricultural programs.**

## CHAPTER TWO

# MANAGING INSECURITY

Since the rise of cocaine trafficking in the 1970s, violence has been a part of life in Peru's coca-producing valleys. During the 1980s and 1990s, Sendero Luminoso (Shining Path), the country's lone surviving terrorist organization, had a hand in the drug trade. Over time, the remnants of Sendero have formed allegiances with drug traffickers and assumed the role of protectors of the coca farmer. Although terrorism per se is not a chief concern in Peru, mass protests by coca farmers instigated by narcotics interests are not uncommon, and violent criminal bands remain active. Discontented rural dwellers in the highlands and jungle regions have shown their strength in recent presidential elections, with *cocaleros* (coca growers) among the instigators. Organized in regional syndicates, *cocaleros* exert pressure on mayors and community leaders through threats and strikes, which can paralyze economic activity and intimidate

people into supporting them. They have sophisticated means of disseminating pro-coca messages that resonate with poor communities, and they claim to be defending Peruvian tradition and cultural rights by clinging to Peruvian law that allows some coca to be grown and sold legally.

At least 90 percent of Peruvian coca ends up as cocaine, much of which is sold in Europe, other Latin American countries, and Asia. Approximately 15 percent of Peruvian cocaine is sold in the United States. As the value added in the refining process grows, the stakes also get higher, bringing more violence. Peru's internal market for cocaine is expanding, and the country risks becoming a center for regional cocaine distribution as consumption rises in Argentina, Brazil, and Chile.

When PDA began in 2002, it introduced a requirement that

a community must voluntarily eradicate illicit coca before it could receive AD benefits. This up-front eradication requirement represented a significant shift in USAID/Peru's AD implementation approach. With so many farmers involved in the coca economy, protests were perhaps inevitable, but physical confrontation, and even sabotage, also became part of the *cocalero* response. Subsequent negotiations between *cocaleros* and the government, marked by turns of intransigence and cooperation, provided a steady backdrop to the project.

At that time, the amount of land dedicated to coca production in Peru was well below its

200,000-hectare peak of the mid-1990s. Yet after Colombia, it was the second-largest producer of coca leaf converted into cocaine. Coca is grown primarily in portions of seven departments, largely within the Huallaga and Apurimac/Ene (VRAE) river valleys. Some of these areas were particularly intransigent: around Aguaytia and Tingo María, for example, social organizations are weak and few farmer associations exist, so it was more difficult to make sustained inroads there without the threat of violence. In the VRAE, where most residents are migrants, it was also difficult, because the essential conditions for a licit economy are not in place.

As a member of a PDA beneficiary family, Dani (left) had the opportunity to study carpentry. With his new skills, he now provides a second source of income for his family.

PDA / SEAN KILLIAN





Financial support from PDA helped Lancy Ponce Falcon and her family transition from illicit coca production and begin earning income from wildflower cultivation.

In response to the violent climate, PDA took measures to keep staff safe, curtailing travel during tense periods before strikes or other disturbances. Security specialists in PDA's regional offices followed events in their respective zones, prepared weekly and quarterly reports, accompanied field teams on

visits to communities, trained staff on security issues, inspected regional offices, and developed emergency plans for each office. Much of PDA's success was due to the courage and conviction of USAID and PDA staff, who weathered protests and even personal attacks to carry out their work.



PDA / SEAN KILLIAN

Partnerships with local universities provided PDA beneficiaries with technical expertise and encouraged the whole community to participate. Above, a university student (front) in Tingo Maria demonstrates a splicing technique that helps cacao grow more quickly.

## CHAPTER THREE

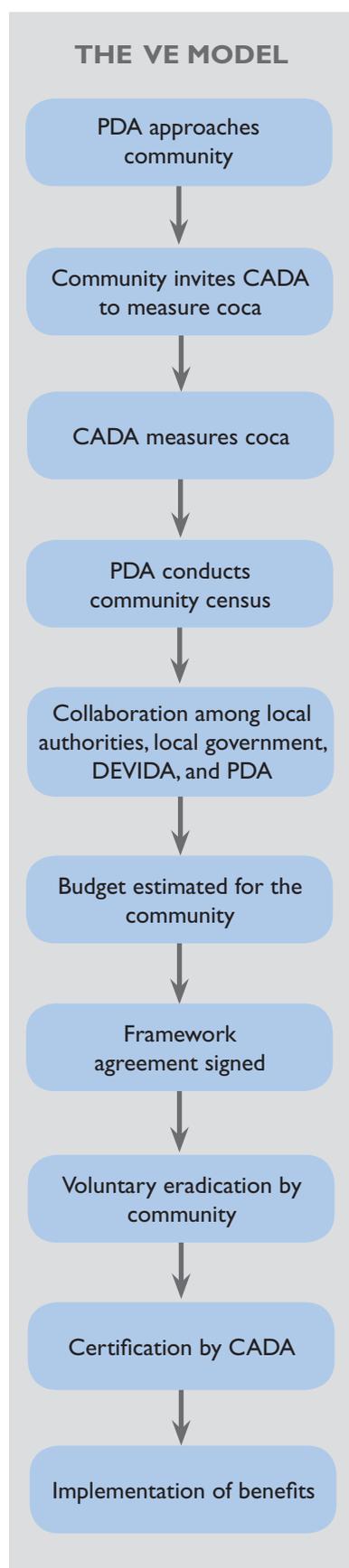
# ERADICATING COCA

The PDA approach, requiring communities to voluntarily eradicate their coca before they could participate in the program, was an innovative and risky concept that met some skepticism. Programmed (forced) eradication, skeptics thought, was the best way to meet eradication targets and deal with coca-growing communities. To the surprise of the skeptics, however, PDA exceeded eradication targets while also building relationships with participating communities. Instead of fomenting resistance and ill will, voluntary eradication set a productive tone and became one of PDA's defining features.

The VE process took a minimum of 10 weeks, beginning with community meetings. Once the participants agreed to the basic principles, CADA measured the amount of coca, and PDA worked with the community to

establish an estimated budget and agree on the benefits to be distributed. PDA then signed a framework agreement (*convenio marco*) with the community. With CADA's certification that coca had been eradicated, PDA then distributed a benefits package, which included individual payments (*bonos*) to coca farmers, community-based infrastructure projects, and short- and long-term economic development activities.

In May 2006, after demonstrating the success of the VE approach in 720 communities over more than 3 years, PDA took on a bigger challenge. The Tocache region had recently undergone programmed eradication under the Government of Peru's anti-narcotics program. Farmers in Tocache had not voluntarily removed their crops, but had been part of the programmed eradication program conducted by a



Peruvian government agency, the Control y Reducción de los Cultivos de Coca en el Alto Huallaga (part of the Ministry of Interior). The assumption at the time was that those communities would be less welcoming to PDA.

Resistance was strong in Tocache, and it took some effort for PDA to take root. Once it did, however, the results were particularly impressive. Working in a region after forced eradication can actually make certain tasks easier: it is easier to determine who the appropriate beneficiaries are, there is no cash payment to families, and there are more opportunities to take programmatic risks, such as working with cattle. In many cases, the mayors or city councils helped PDA approach communities. Their assistance sped up the process considerably.

In Tocache, PDA demonstrated that after programmed eradication, it is possible to enter areas that were heavily dependent on coca and convince the residents to embrace licit economic activities. In Tocache, 5,872 families from 87 communities

participated, which was the most PDA could handle given the resources available at the time. The methodology was similar to the one used in VE communities: a combination of rapid response mechanisms, such as temporary employment followed by the installation of permanent cash crops and economic activities, such as fish farming, cattle, and hogs, and the construction of priority infrastructure.

PDA did the most work in the shortest time in Tocache, and there has been minimal replanting of coca by program beneficiaries: farmers there have embraced AD with the same enthusiasm as the 720 VE communities. Because of PDA's success in both VE and programmed eradication communities, USAID's follow-on program, the Promoting Integrated Development (PID) project, is focusing on communities that have undergone programmed eradication and consolidating gains among the VE communities. The integrated nature of the work implemented under PDA has made it possible for USAID to engage with the



PDA / ANTONIO MARTINEZ

PDA trained farmers in camu camu cultivation practices.

**USAID's AD investment in Peru benefited more than 64,000 families and resulted in more than 15,000 hectares of coca voluntarily eradicated.**

more recalcitrant communities, something once thought to be impossible.

In many ways, post-eradication communities are similar to post-conflict communities. After decades of state neglect, residents have little faith in authorities. The social fabric is stretched thin and is often marked more by antagonism than cooperation; without outside assistance, work toward common goals is hard to come by. To address

these challenges, PDA assigned high priority to meeting commitments with the participating communities. By honoring its agreements, treating community members with respect, and taking a transparent approach when budgets were in flux, project staff showed community leaders that PDA would accompany them to achieve long-term results. That repeated interaction was essential to getting a community to stick to its commitments and strengthen the social fabric.

# PERUVIAN PERSPECTIVES

## New Skills Mean Improved Safety

Doña Fortunata Ciriaco and her family now profit from legal crops and decreased violence, thanks to USAID and PDA.



PDA / ANTONIO MARTINEZ

*Thanks to PDA, our quality of life has improved. . . . We have learned how to replant, to diversify crops, and to use the coffee pulp as a natural fertilizer.*  
— Doña Fortunata Ciriaco, PDA beneficiary in Tingo Maria

I came to Tingo Maria [in the Huánuco region] with my aunt in 1975, when I was 15. My parents had passed away, and I began harvesting tea with my uncle in a cooperative called the Tea Garden. Three years later, I got married and — paycheck by paycheck — we saved money and bought land. Now my family has a total of 11 hectares, where we plant corn, plantains, and coffee.

Around 1986, we had begun to plant coca. We did it to put bread on the table for our children, and we ended up with a hectare of coca. This was also when the violence and the terrorist activities began. My husband, who managed the cooperative, had to hide in Huánuco because of terrorist threats. In the beginning, I went with him but then got up the courage to return since my children were in school in Tingo Maria and our coffee was growing well. It was two years before my husband came back.

Several years later, we were still growing coca when the PDA program came and asked us to voluntarily eradicate it. The whole community decided to do it because we were tired of the insecurity coca brought, and my husband said, "No more coca—it brings too much violence."

Thanks to PDA, our quality of life has improved. We grow coffee and banana plants, which are now producing good crops. Additionally, we have learned how to replant, to diversify crops, and to use the coffee pulp as a natural fertilizer. The technicians from PDA have taught us the value of products with natural fertilizers. In Peru's Second National Competition, I earned a prize for high-quality coffee.

Last year, we sold 5,000 kilos of coffee at 5 soles per kilo to the Cooperative La Divisoria. We are investing what we earned in more crops and in our children's education. One child is preparing to enter university, and the other is in secondary school. This is how we live in this community—everyone has coffee, plantains, beans and lives peacefully. Here, there is a future.

*The text above is condensed from a longer interview with PDA beneficiary Doña Fortunata Ciriaco, whose family is one of 10,290 participating families in the Huánuco region.*



PDA / SEAN KILLIAN

A PDA beneficiary helps paint a community center outside Tingo Maria. Overall, the program built more than 150 new community centers.



PDA / ANTONIO MARTINEZ

PDA not only aided farmers in replacing coca with licit crops; it also helped beneficiaries regain a sense of community and security.



PDA / SEAN KILLIAN

**Cacao accounted for 49 percent of the total hectares of licit crops cultivated in post-eradication communities.**

## CHAPTER FOUR

# HOW INTEGRATED DEVELOPMENT WORKS

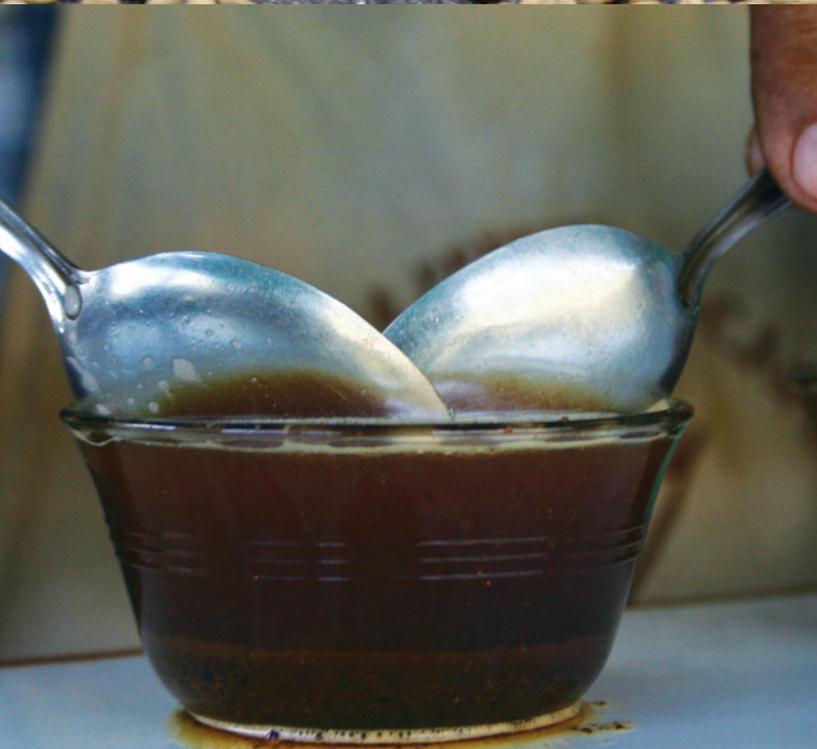
At its core, PDA was about helping rural communities that have renounced coca to embrace licit, productive, and sustainable economic lifestyles. It included broad changes to a community's standard of living, to its social relations, and to its perceptions of the future. Farmers needed an economic mainstay other than coca, but they also required investments in education, health, infrastructure, and community development, so their communities and families could renounce coca for good.

PDA helped communities achieve this through a mix of benefits, such as construction of social and productive infrastructure (rural health clinics, primary and secondary schools, small bridges, road rehabilitation), and support for cash crops, livestock, and small animals. In programmed eradication communities, PDA added cash-for-work programs to the

package. Project staff continually visited beneficiary communities to verify that they were coca-free, provided technical assistance in cultivation techniques and reforestation, strengthened producer associations, educated communities about the hazards of coca, and boosted community socialization.

At the beginning of the project, once a community signed a framework agreement and eradicated its coca, it chose two infrastructure projects and two productive projects that PDA would help implement. However, the pressure to sign up as many communities as possible precluded in-depth analyses of the communities, and by 2005, that approach had become untenable. Recognizing that it had committed too many resources, particularly for infrastructure projects, PDA revised its agreements with many of the first 379 participating communities to match budget

## COFFEE CUPPING: PRODUCERS LEARN TO TEST FOR QUALITY



PDA / SEAN KILLIAN

**PDA trained commodity associations to test their coffee using the “coffee cupping” process. In cupping, the tester first pours boiling water over hand-ground coffee beans. Once the mixture cools, the cupper uses two spoons to sift out the grounds, deeply inhales the aroma, and slurps the coffee so that it spreads to the back of the tongue. Cupping teaches farmers to evaluate the coffee’s quality by smell and taste, judging its aroma, body, flavor, and acidity, rather than by its color or appearance.**

realities. The project ultimately established a maximum per-community budget of \$2,000 per hectare of illicit coca voluntarily eradicated. The limit was slightly higher in post-eradication communities, and included payment for temporary labor to improve family farm productivity. The resulting budget for each community was then used in discussions with municipal officials to select projects for the municipal development plan that represented community priorities. As implementation continued, it became possible to meet agreed-upon commitments for approximately 25 percent less than the budgeted amount. Municipalities also provided counterpart resources and communities supplied unpaid unskilled labor, allowing PDA to shift away from commercial building contractors and work directly with municipal governments for infrastructure construction. This also guaranteed community ownership of the projects from the outset. Over time, this became an important element of PDA's local development strategy.

Another important element of the strategy was to focus on long-term crops for which a market had been identified, tempered with the recognition that demand alone is insufficient to inspire farmers to change their habits, because *cocaleros* are often less likely to take risks than most entrepreneurs. Following this strategy, PDA focused on cacao, coffee, and palm. Not only is there an external demand for these goods, but as the crops reach maturity in 2009 and beyond, there will be opportunities along the value

chain to keep more money close to the communities that gave up coca to grow the crops.

PDA worked with cooperatives and private investors to build value chains for coffee and cacao. With the help of the Poverty Reduction and Alleviation Activity (PRA), small private buyers and large companies have helped generate revenue streams and technical assistance.

Through PDA assistance, many producer associations have forged international economic linkages. They routinely refer to the need to understand customers in Europe and the United States and the importance of quality. With consistent quality, they say, they need not fret about international price fluctuations for cacao — with their high-end, fair trade niche, they will always be able to sell at a decent price. Small cacao processors and exporters also understand that they cannot compete with large firms that sell low-quality chocolate in bulk; they must rely on the natural advantages provided by their superior cacao.

PDA invested heavily in cacao, providing assistance that ranged from basic inputs to work with cooperatives that had solid relationships with foreign buyers. Technical specialists gave hands-on assistance to farmers, advising them on seeds, organic fertilizer, and the growing and fermentation process. Instruction also covered weed control, reforestation, and proper hillside farming techniques to best capture rainfall. All this was to guarantee that farmers, who had been growing coca for

## SELLING A DRUG-FREE PERU

PDA helped beneficiaries sell five varieties of bananas and plantains in some of Peru's largest supermarket chains, such as Wong, Hipermercados Metro, and Almacenes ECO. Working with Patt Fresh, a private company, PDA organized ex-cocaleros from Tingo María, Aucayacu, Aguaytía, and Tocache; provided them with better inputs; and trained them in post-harvest handling. By the end of the project, Patt Fresh typically bought between 10 and 20 tons of bananas every day from PDA beneficiaries.

In the supermarkets, the products have a tag that says, "Thanks to your purchase, I am not an illicit coca leaf." Such branding lets consumers know that when they buy those bananas or pineapples, they are investing in a drug-free Peru. PDA is also taking the message outside of Peru, by teaming with DEVIDA and Prompex, the Peruvian Export Promotion Agency, to visit international trade fairs and help with publicity campaigns in favor of alternative development products.

years but did not know how to grow cacao, could produce high-quality cacao for high-end chocolate and other products in Peru and abroad. Acopagro, a cacao producer association in Juanjui, signed agreements with Barry Callebaut, one of the world's most important chocolate companies. Willy Geeraerts, a cacao expert, said, "It is the best organic cacao I have tried in the last 10 years. Barry Callebaut will buy it all. The product is excellent." Attracting private investment is a long-term effort, and will be a central element of PID, USAID's follow-on project.

The 23,000 hectares of cacao planted through PDA since 2003 represent 48 percent of the nation's cacao and will generate some \$20 million in 2009. Full production, which will generate more than \$36 million, is expected by 2011. This will transform the economies of the departments of San Martín, Ucayali, and Huánuco, as more capital and enhanced technical capacity develop along the value chain.

PDA worked with producer associations to strengthen their business acumen and fortify their links to farmers. Cooperatives, to which many PDA farmers belong, provide a range of services to their members: they provide technical assistance, services such as credit and loaned tools, and they handle marketing and offer collection centers for processing. In the case of cacao, they also help with fermenting boxes and fertilizer. Underlying all that is an emphasis on solidarity: the cooperative is internally democratic and out-

wardly entrepreneurial. Most cooperatives have helped instill the conviction that quality is the key to the region's agricultural success; farmers then pass this conviction on to others.

Reforestation was another important component of PDA. After years of deforestation, often to produce coca, farmers are learning to plant trees along with their cacao crops. The trees are part of a forestry plan, but they also provide protection to the crops. Some trees provide quick return, while others are planted for long-term harvest; many farmers hope their children will harvest those trees.

PDA spent much time developing relationships with local authorities and promoting coordination at the regional level. Hundreds of subcontracts were part of the project. In response, and to minimize the delays inherent in a centralized system, the project devolved more authority to its regional offices, and relied more on local knowledge and customs for the design of infrastructure projects. For example, the project enlisted the support of community members who provided unskilled manual labor where specialized labor was not required.

PDA invested heavily in both community social infrastructure — schools, health clinics, and potable water systems — and economic infrastructure, including roads, bridges, and packing and processing plants. Using community members on those projects provided a short-term source of income for those indi-



PDA / JASON HAGEN

Between 2002 and 2008, more than 22,000 hectares of cacao were cultivated in PDA communities. Acopagro, a cacao association in Juanjui, helped PDA farmers sell their cacao to one of the world's most prestigious chocolate companies.

viduals and allowed them to be direct participants in the development of their communities. The projects used basic democratic principles, encouraging members to vote for their leaders, using a bidding process for the purchase of materials, applying transparency and accountability in expenditures, and stressing the importance of oversight in project implementation.

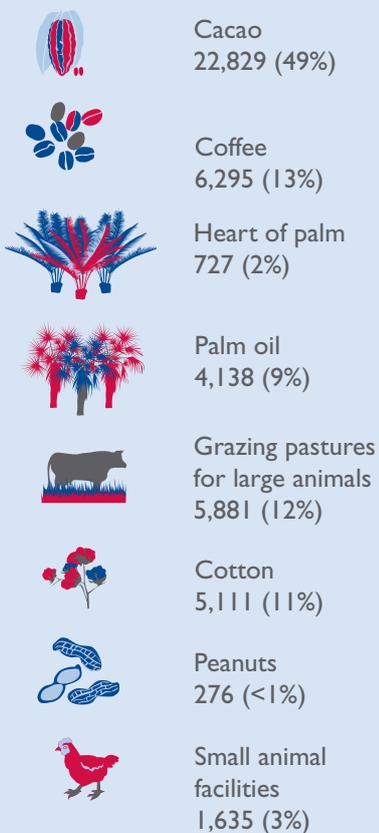
PDA sponsored regular development fairs (*caravanas para el desarrollo*) — daylong activities that featured sporting events, vaccination campaigns, cooking competitions, primary health and dental care, and craft exhibitions — in conjunction with the

municipal government; other USAID partners, such as Management Sciences for Health (MSH), the Centro de Información y Educación para la Prevención del Abuso de Drogas (CEDRO), and Aprendes; government ministries; and neighborhood organizations. The *caravanas* were very popular, and they provided a space for social interaction and education about the virtues of a licit lifestyle.

Starting in 2005, PDA was able to use savings gained from negotiating fewer, smaller, co-financed infrastructure projects with participating communities to increase technical assistance, establish farmer schools for cacao, add post-harvest support, and

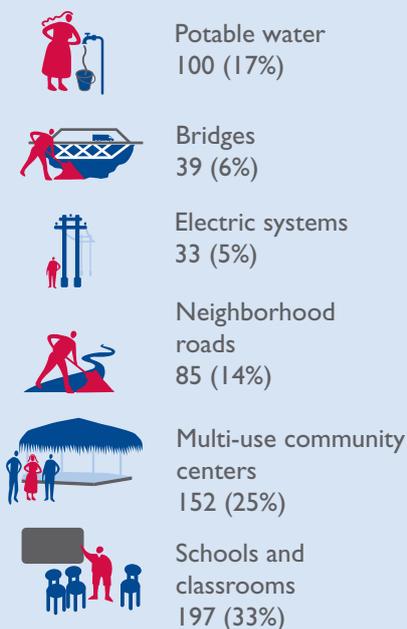
## Economic Activities

Total number of cultivated hectares: 46,892



## Infrastructure Projects

Total projects: 606



## In the department of: San Martín

Participating communities: 379

Families: 28,144

Voluntarily eradicated  
hectares: 5,749

Economic activities  
total hectares: 18,355

Infrastructure projects: 212

## In the department of: Huánuco

Participating communities: 135

Families: 10,290

Voluntarily eradicated  
hectares: 1,634

Economic activities  
total hectares: 5,271

Infrastructure projects: 114

\*These figures are from the entire "PDA" project. The first phase of this project operated under the Proyecto de Alto Ayuda (PAA) contract from October 2002 – August 2004. The second phase was managed through the Proyecto de Desarrollo Alternativo (PDA) contract from September 2004 – June 2008.

# PDA Project Totals 2002-2007\*

Participating communities: 802

Beneficiary families: 64,549

Voluntarily eradicated  
hectares: 15,117

Investment: \$61,876,255

In the department of:

## Ucayali

Participating communities: 199

Families: 21,476

Voluntarily eradicated  
hectares: 7,339

Economic activities  
total hectares: 16,999

Infrastructure projects: 228

In the department of:

## VRAE

(River Valley  
Apurímac and Ene)

Participating communities: 89

Families: 4,639

Voluntarily eradicated  
hectares: 394

Economic activities  
total hectares: 6,268

Infrastructure projects: 52

## PRODUCER ORGANIZATIONS: PDA'S STRATEGIC PARTNERS

**Cooperativa Agraria Cacaotera (ACOPAGRO)**, one of the strongest producer organizations in the cacao value chain, has worked with PDA since 2002 in Juanjui and Tarapoto. Today, it is a leading exporter of quality cacao and it enjoys organic fair trade certification, which has allowed its 1,000 members to sell to companies such as PRONATEC (Switzerland), Eco Trade (U.S.A.), and Efico (Belgium). ACOPAGRO stored a total of 953 metric tons in 2007, and it has a sales commitment of 85 containers for PRONATEC in 2008.

**Cooperativa Cafetalera La Divisoria**, composed of small coffee producers, began in Tingo María, then expanded to Aguaytía, and now it also operates in Tocache. It focuses on specialty coffees and directly exports to the demanding European and U.S. markets. With the help of its cupping laboratory and expert cuppers, it earned third place in the 2007 national specialty coffee competition sponsored by the National Coffee Board. The cooperative is taking steps to earn organic and fair trade certification.

**Cooperativa Agraria Cacaotera Tocache**, a small-producer organization from Tocache, has planted 5,000 new hectares of cacao, thanks to a boost from PDA. Since 2007, it has been directly exporting to the European market, and this year, it has purchase orders to initially sell 15 containers to PRONATEC. Progressively, it will consolidate its market presence, as the new hectares begin showing yields.

**Cooperativa Cafetalera Oro Verde** is a small-producer organization based in the Province of Lamas. Thanks to its excellent business vision, it is a symbol of efficiency and the leading exporter of specialty coffees in San Martín. It has been strengthened even more with PDA investments: its annual sales have grown by 22 percent, particularly to its primary markets, the United States and Germany. Since 2007, it has been exporting cacao produced by its members.

**Asociación de Productores de Palmito (APROPAL)** has a palmito bottling plant in San Martín supported by the government of Spain. With the help of PDA, it has increased its storage from 150,000 to 200,000 stalks of pijuayo (peach palm) for palmitos each year. It has been helping prepare 560 hectares of new palmito plantations.

**“It is the best organic cacao I have tried in the last 10 years. The product is excellent.”**

**WILLY GEERAERTS, CACAO EXPERT, DESCRIBING THE CACAO PRODUCED BY PDA BENEFICIARIES**



PDA / ANTONIO MARTINEZ

A shopper examines pineapples bearing the PDA and DEVIDA labels. PDA communities often used local labor to package products and ship them to large grocery stores, such as this one in Lima.

provide a second round of benefits to communities that needed additional support. PDA developed educational materials on maintaining water systems, post-harvest practices for cacao, and training on specialty coffee crops.

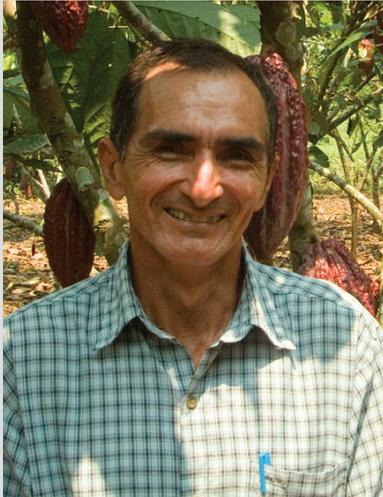
PDA taught modern farming techniques through more than 100 farmer field schools, which focused on cacao crops in San Martín and Ucayali. These schools used a hands-on approach that empowered farmers by showing them that they already possessed the skills and knowledge required to grow new crops.

Beyond its major investments in cacao, coffee, and oil palm, PDA invested in plantains, pineapple, cotton, corn, grasses, hearts of palm, rice, citrus, and small livestock. The aim was to help farmers transition from coca and low value subsistence production to high-value production that would encourage competitive and vibrant value chains. Most important, however, were the more ambitious goals: to foster attitude change, to strengthen the social fabric, and through an integrated set of economic and social interventions, to guarantee that farmers will not replant coca.

# PERUVIAN PERSPECTIVES

## Cacao, Not Coca, Offers Future

Oswaldo del Castillo describes how USAID has helped him develop the tools and skills to profit from cacao



PDA / ANTONIO MARTINEZ

*The cooperative also pushed us to improve our quality and provided training to increase our expertise. Now we grow products of export quality and have signed an agreement assuring us a market for five years.*

— Oswaldo del Castillo, a cacao farmer from Juanjui

I was born in Santa Rosa [Juanjui, in the San Martín region], the oldest of 11 children. After my father died, I had to help my family economically. This zone is primarily for plantains, but we produced a bit of everything and also raised livestock. During the time of repression by the Shining Path and the army, our livestock were killed and our plantains cut down. Due to the violence, we often had to flee to Juanjui for 15 to 20 days, returning only when things had calmed down.

With the economy having hit rock bottom, and against my wife's advice, I planted coca, but it just dried up. Around the same time, a friend who is an engineer advised me to plant cacao. At that time the price was 1.50 soles per kilo. "Plant," he told me, "the price is going to rise. I will give you the seeds." Thanks to my friend, who works with the United Nations, my brother-in-law and I ventured to plant and graft cacao, and the price of cacao did rise. We were very excited.

I have been a PDA promoter since the program began in this area. Program technicians trained us to manage the cacao plants using a technical process. Acopagro [a cacao cooperative] also helped us look for a market. This was a big help because, previously, we had to look for intermediate markets to sell our products and it was not easy. The cooperative also pushed us to improve our quality and provided training to increase our expertise. Now we grow products of export quality and have signed an agreement assuring us a market for five years. We are very happy — we never thought that the cacao could have such a high price.

PDA not only helped us plant and maintain our cacao, but also provided the community with tools, drying racks, and fertilizers. This geographic area was previously forgotten by the state because of its location. But, with PDA assistance, we are now working hand in hand with municipal governments. The entire Alto Huallabamba sector has renounced coca, and instead we have opted for cacao that we will be able to plant for many years and that, hopefully, our grandchildren will also be able to enjoy.

*The text above is condensed from a longer interview with PDA beneficiary Oswaldo del Castillo. Oswaldo is one of the farmers tending more than 13,000 hectares of newly planted cacao in the San Martín region.*



PDA / ANTONIO MARTINEZ

Following the voluntary eradication process, PDA helped beneficiaries grow a variety of products, including peanuts (pictured), cacao, coffee, heart of palm, and cotton.



PDA / ANTONIO MARTINEZ

Farmers in Peru use waterways and ground transportation to ship their goods to market.



PDA / SEAN KILLIAN

**A technician at Centro de Prensa y Comunicacion Social (CEPRES) mixes sound. CEPRES, a communications group that supports alternative development in the coca-rich Huallaga Valley, receives training and support in journalism from PDA.**

# SUPPORTING BEHAVIOR CHANGE THROUGH COMMUNICATIONS

PDA adopted a three-track communications strategy: some messages were geared for a national audience and relied on mass media to raise public awareness; other messages were intended to engage opinion leaders and influential groups; and yet another set of messages was tailored to coca-growing communities and spread personally, from project staff to local leaders and other community members. This was important in disarming pro-coca spokespersons who relied on disinformation to build support for their cause.

This communications strategy was a major change to USAID AD program design, as previous projects had not included such sophisticated and widespread outreach efforts. Experience had shown that it is not enough to provide economic alternatives to coca farmers; AD also requires diligent outreach and

repeated, consistent messages that remind communities of the consequences of living with coca. The message was one of moving forward and taking advantage of the long-term opportunities offered by the licit economy, rather than looking back on the coca-growing past. *Aquí, si hay futuro* was one of the crucial project slogans.

PDA and DEVIDA developed national media campaigns for TV, radio and billboards, and other advertising media. These campaigns stressed the negative impact of coca at all levels, including violence in rural communities, the limits it places on young people, and the corrosion of social values. PDA often invited journalists to see the projects for themselves; this led to positive coverage in Peru's major newspapers and television news. PDA also created and worked with a network of regional jour-

## BEARING FRUIT AND CHANGING OPINIONS

PDA worked in many communities where even the mayors opposed alternative development. But through persistence, visible good work, and the eventual support of the communities, PDA staff turned several detractors into cheerleaders.

For example, Mayor David Bazán Arévalo of Tocache had been elected on an anti-AD platform. By June 2007, after working closely with PDA and seeing its results firsthand, he embraced the possibilities of alternative development.

"This project is bearing fruit, and we cannot go back," he said. "We see that our province is finally becoming peaceful and our farmers eat and sleep in tranquility today."

The mayor of El Dorado, Jhonny Solis Quinto, said, "Today, our citizens want to lynch us for not signing agreements with DEVIDA and PDA. There is a change in attitude, and it is a very voluntary decision. Nobody has forced them ... Here, the PDA program does everything it can, and the people have taken to it. The people are in agreement."

Other mayors who previously opposed alternative development and later came to appreciate it include Tony Tang González of Padre Abad, Manuel Gambini Rupay of Irazola, Melanio Leonidas Nuñez Vera from Puerto Inca, Estaban Jibson Bedon of Yuyapichis, and Vidal González Zavaleta of Progreso.

Association and business leaders also changed their tune. The president of the Asociación Provincial de Arroceros del Alto Huallaga, Josué Rengifo, a former opponent of the PDA program, publicly recognized its merits in April 2007, claiming that PDA staff had ensured that resources actually arrived for farmers, and were not wasted on administrative costs.

## GETTING THE WORD OUT

PDA's work was highlighted in almost every significant newspaper and magazine in Peru, and extensively covered by radio and television programs, thanks in part to outreach the communications staff conducted with media companies.

PDA worked with Antonio Brack, a well-known Peruvian environmentalist, to produce two hour-long television programs for national broadcast. The project also produced a 10-part telenovela, "Tiro de Gracia," which was purchased and shown by América Television.

The team worked with Radio Programas del Perú, a leading radio station, to sponsor spots over 10 months that detailed the whole coca life cycle, from plant growth to drug consumption.

Between October and December 2006, PDA broadcast 558 15-minute radio spots during peak times through every local radio station in Tingo Maria, Aucayacu, Pucallpa, Puerto Inca, Aguaytia, San Francisco, Huanta, Juanjui, and Uchiza.

In the city of Tarapoto, PDA had two daily radio programs: "Palabra de Mujer" and "El Vocero de Huallaga." Sixty-six programs were broadcast during the last three months of 2006. PDA also carried out an intensive radio effort in Pucallpa and Aguaytia to promote the program's participation in handing-over more than 2,500 land titles. This effort involved nine radio stations and was broadcast during the first two weeks of October 2006.

Other examples of PDA's outstanding communications work include participation in the Wong Parade; the Tiempos de Cacao; the TV series "Falacias;" a series of "PDA Informa" videos; work and diffusion with the Amazonian Network of Communicators; hundreds of journalist visits to PDA projects; and strengthening the Network of Young Reporters and Women.

**“Currently, only 2 percent of all hectares in Tocache are used for illegal coca cultivation, which is quite an improvement considering the number reached 95 percent during the most challenging period.”**

**EL COMERCIO, A PERUVIAN NEWSPAPER, MAY 2, 2008**

nalists, and used radio programs and other publicity campaigns to disseminate information.

The PDA communications team took into account how different audiences in Peru best receive information. For example, local teams were placed in each regional office to educate communities about the impact of coca, and alternatives. Situating people close to the communities was essential to achieving program goals, just as national campaigns directed at city-dwellers and opinion makers were often key to shifting public sentiment. Because of PDA’s communications efforts, the public now understands that some 90 percent of coca production sustains organized criminal networks, and Peruvians have a more negative attitude toward coca production.

The cocaine trade is not just a problem for isolated rural communities, but has taken on national importance. With a booming economy that is drawing foreign investment, and a blossoming tourism industry centered on Incan archaeology, ecotourism, and contemporary cuisine, most Peruvians understand that their country’s reputation as a coca-growing outpost only holds it back.

*Cocalero* groups also manage a sophisticated communications strategy; their syndicates have used local media to disseminate stories and allegations that undermine public perception of AD’s effectiveness. At the beginning of the project, much of PDA’s communications were

reactive, trying to respond to the steady attacks that came from those who benefited from the drug trade. As the project became more successful, and as communities themselves turned against drug traffickers, PDA was able to use more proactive communications and work more effectively with communities.

Local partners, such as Acción sin Fronteras and CEDRO, conducted diagnostics of communities before developing outreach strategies. The message they developed depended on a community’s particular values, history of engagement with and dependence on coca, and hopes for the future. Most important was to understand the community and to build trust, because messages from outside the community can be viewed with suspicion. The messages were thus decidedly local in content, and were intended to be spread by local people.

Many of these messages were transmitted by young people trained by CEDRO, who pointed to successful neighboring communities to help create a contagion effect about an alternative future. This technique, essentially social marketing, also feeds into national-level messaging: community-level success stories can filter from the ground up onto the national stage. Getting local leaders to act as PDA’s grassroots spokespersons helped other communities become involved. They relied on local radio stations and newspapers, local theater, megaphones, and word of mouth to get the mes-

sage out. In communities where coca was frowned upon, those messages contained an element of reprimand. In communities where coca was more accepted, messages pointed out the misery and violence that coca brought. Programs such as “Mujer, Historias de vida” also emphasized the unique role that women have in their communities, and the responsibility they have to stop the scourge of coca.

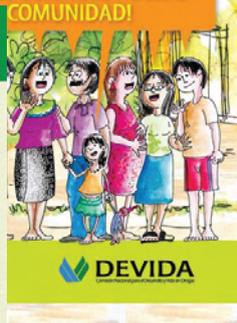
Acción sin Fronteras trained PDA staff to approach and treat communities individually, because a “one size fits all” framework does not work. ASF also trained community promoters, particularly women and young people, through workshops and manuals, so they could work with communities to transform short-term thinking into long-term development goals. CEDRO helped young people express their ideas about their communities and alternative development through the young reporters’ network. By producing spots for local TV and radio,

they made it clear that opposition to coca did not just come from outside the community, but included a great number of their own members.

Perhaps the single greatest change that can be attributed, in large part, to the PDA project is the attitude of people living in coca-growing communities. When PDA began, coca was abundant and hundreds of communities, tired of violence and insecurity, took risks by agreeing to give up coca. By the end of the project, their optimism was tangible in departments such as in San Martín. Beneficiaries are quick to invoke the importance of quality in their products and the need to have an identified market, with clear buyers who are willing to pay a premium for agricultural goods. They understand that niche markets, such as those for fair trade and organically certified goods, are vital to their prosperity. “Quality” and “the market” have become buzzwords in the communities.



Communication played a key role in PDA. Posters such as these helped communities understand their role in the alternative development process.





PDA / ANTONIO MARTINEZ

**To help farmers jump-start their post-eradication activities, PDA provided licit crops in the form of potted plants rather than seeds. As a result, beneficiaries saw results and increased income more quickly.**

## CHAPTER SIX

# MONITORING AND EVALUATION

Over the life of the project, PDA developed a comprehensive, Web-based monitoring and evaluation (M&E) system accessible by program managers at USAID and DEVIDA, as well as by PDA staff. The M&E system's primary purpose was to measure and provide reliable information on the status of PDA initiatives and to facilitate managerial decisions based on accurate and up-to-date information. Constant feedback from users allowed information to be refined along the way, in real time, with minimal disruption. The system produced both standardized and customized reports, and helped USAID/Peru keep Washington informed of PDA's progress.

Each PDA regional office had two M&E specialists who uploaded new data into the M&E system after receiving updates from the field monitors. Because the regional offices all used the

same methodology, the results were consistent and reliable.

PDA's GIS component was useful for mapping beneficiary communities and remnants of coca plantations. It was also used to survey farms for land titling and productive projects, such as oil palm plots.

Toward the end of the project, PDA began applying qualitative indicators to measure increased capacity of local governments and producer associations. It also sought to measure changes in attitudes. PDA found that the most vulnerable communities are also weakest in social and economic indicators, despite the cash generated from illegal coca production. Those findings confirmed that social and economic growth are the best ways to help communities abandon coca for good.

# PERUVIAN PERSPECTIVES

## Teacher Sees Better Future for Kids

Sonia Rojas says USAID's support for legal crops has helped more students value education



*Compared to when I first arrived in Tocache, there have been many changes in attitude here... Few of us see any future in coca farming and we prefer a legal product like palm oil or cacao. None of us want to take a step back..*

— Sonia Rojas, a teacher and palm oil farmer in Tocache

I moved to Tocache [in the San Martín region] to find work. I got a job as a teacher, got married, and had two sons. When one's wages are not enough, one looks for ways to fill the gap, so I bought a chacra [small farm] that had coca and decided to focus on this crop.

But after more experience, I realized that the payoff is not always worth the work that is put in: the farmer works, his wife works, his kids stop going to school, everyone pitches in, and — at the end of the day — only minimal earnings remain. Because of narco-trafficking, Tocache had lots of imported products and clothing was expensive. At times, we couldn't eat meat because, while we stood in line, someone with more money would yell out to the vendor "Hey, give me the whole piece," and the rest of us were left with nothing.

Narco-trafficking's easy money also enticed the kids away from studying. My fellow teachers and I went from house to house trying to convince students to attend school, but they would say, "Teacher, you make 50 intis [the coin at the time]. I make that much money in an afternoon. Why would I study if I make more than you do in less time?" Young people were no longer interested in education, and we barely persuaded a handful of students to continue with school.

When forced eradication began, I decided coca was not in my best interest and joined beneficiaries who opted for voluntary eradication. For several years, we sought support from PRA then PDA, and they suggested we work in palm oil. Of my 10 hectares of land, four and a half produce palm. I will begin to harvest these plants by the end of 2009.

Compared to when I first arrived in Tocache, there have been many changes in attitude here. Now, farmers send their kids to school. While before there would be 15 applicants for 40 vacancies to study agriculture at the university, today there are 80 applicants. Few of us see any future in coca farming and prefer a legal product like palm oil or cacao. None of us want to take a step back.

*The text above is condensed from a longer interview with PDA beneficiary Sonia Rojas. The PDA program has worked to improve education in the Osvaldo del Castillo. Osvaldo is one of the farmers tending more than 13,000 hectares of newly planted cacao in the San Martín region.*

**Because of PDA's communications efforts, the public now understands that coca production sustains organized criminal networks, and Peruvians have a more negative attitude toward coca production.**

## **PDA'S PRIMARY PARTNERS**

### **Communications**

- Red de Comunicadores por el Desarrollo de la Amazonía
- Asociación de Comunicadores Calandria
- Radio Programas del Perú
- Agencia de Noticias INFOREGION

### **Economic Development**

- Cooperativa Cacaotera ACOPAGRO
- Cooperativa Cafetalera Oro Verde
- Cooperativa Cafetalera la Divisoria
- Cooperativa Agraria Tocache
- Cooperativa Valle Río Apurímac (CACVRA)
- Asociación de Productores de Leche de Ucayali (APROLEU)
- Asociación de Productores Naranjillo y Anexos (ASPRAN-A)
- Consorcio de Productores de Plátano de Ucayali (COPPU)
- Oleaginosas Amazonicas S.A. (OLAMSA)
- Algodonera Juanjui

### **Social Capital and Governance**

- Acción sin Fronteras
- Asociación de Municipalidades de la Región San Martín - AMRESAM
- Management Sciences for Health (MSH)
- Municipalidad Provincial de Leoncio Prado
- Municipalidad Provincial de Tocache
- Municipalidad Provincial de Puerto Inca
- Municipalidad Provincial de Padre Abad
- Centro de Promoción y Prevención del Uso Contra las Drogas (CEDRO)

### **Infrastructure**

- Augusto Aliaga Zegarra S.R.L.
- Servicios y Suministros S.R.L.
- Arpo Ingenieros S.A.C.
- Municipalidad Distrital de San Roque de Cumbaza
- Municipalidad Provincial de Tocache
- Municipalidad Distrital de Pólvora
- Municipalidad de Centro Poblado de Bambamarca



PDA / ANTONIO MARTINEZ

**Many of the 64,000 beneficiary families are excited about their future. With their children attending new schools and their fields bearing licit products, a new spirit of solidarity has taken hold. PDA communities are proud to be active participants in these changes.**

## CHAPTER SEVEN

# LESSONS LEARNED

Despite the many challenges inherent to alternative development projects, PDA demonstrated that with innovative design, strong communications, and real engagement with communities, AD projects can have a significant, positive impact in coca-growing regions and make a difference in people's lives. When communities embrace AD as their own, they can write their own future. PDA staff learned a number of lessons that may benefit future AD projects in Peru and elsewhere.

*Learn the terrain.* The project must understand the communities' backgrounds, their motivations and previous interactions with AD programs, and what alternative licit economic activities would be profitable in the area. Such an assessment also improves the communications work; the project can tailor an outreach plan that will meet the commu-

nity's needs and resonate with the community's aspirations.

*Build trust.* Setting unrealistic expectations and then failing to meet commitments creates mistrust with participating communities, which then translates into additional implementation challenges. It is important to deliver news in a direct and transparent way. Members of participating communities appreciate that candor and come to feel a sense of partnership and respect.

*Build social capital.* Because AD areas are marked by weak social bonds, lack of interpersonal trust, and sometimes lawlessness, it is important to help the community decide on collective endeavors, such as infrastructure investments. The ultimate aim of PDA was not to boost family income through licit crops; rather, PDA helped communities envision a future in which



PDA / ANTONIO MARTINEZ

**PDA worked with participating communities to make sure projects matched their priorities. Electrical systems, such as the one shown here, were installed in 33 communities.**

community members were responsible advocates for their own development and understand that democratically chosen investments in health, education, and infrastructure are the right investments for the community.

*Share costs with the community.*

Cost-sharing is a way to counteract the entitlement mentality and make municipalities partners instead of beneficiaries. Co-financing through unskilled volunteer labor and local materials, as well as the use of municipal physical resources, such as heavy machinery, were an important part of PDA's infrastructure work.

*Work with the market.* Small farmers who are worried about feeding their families can be slow to take business risks and embrace technological advances. Through a partnership with PRA, PDA developed agricultural value chains and stressed the importance of the market to beneficiaries. Former coca-growers now understand that the licit market offers a future, as long as they recognize consumer demand and respond to it. By focusing on niche products, such as fair-trade, organically certified cacao, farmers will soon be part of an extensive web of international market relationships that

benefit all, from the cacao farmer to the chocolate lover. Establishing these relationships is key to attracting private capital, which is often sparse in coca-growing regions.

*Work directly with local governments.* It is not enough to provide licit and sustainable economic ballast to communities. PDA also worked with local governments to help them become the caretakers of local infrastructure projects. That way, governments take responsibility and are accountable to and engaged with the public they serve. Given Peru's trends toward decentralization, improving local governance is a way to ensure the transpar-

ent provision of services to meet long-term citizen needs.

*Use communications to change behavior.* One of PDA's distinguishing traits was its emphasis on communications and outreach. This meant reaching opinion leaders in Lima, the coca-growing communities, and the Peruvian public. Each audience required different messages, and PDA employed a variety of techniques to transmit those messages. One of PDA's goals was to make coca-growing socially unacceptable. It achieved this, in part, through a campaign that highlighted the fact that 9 out of 10 coca leaves are destined for the narcotics trade. Because social norms are



**Mario Tomás Soto, whose income now comes from palm instead of coca, has seen an enormous change in Aguaytía. Before PDA, insecurity was a real concern. Now, he says, “You do not see coca around here anymore ... Nobody wants to take a step back, and we can say that we are winning the battle.”**

PDA / ANTONIO MARTINEZ

learned, PDA's outreach program used a strong field presence to instill values in young people. Communicating with youth was of utmost importance, because young people will transmit those norms to subsequent generations.

*Eradicate before distributing benefits and hold communities accountable to their commitments.* Whether eradication is voluntary or programmed, experience shows that communities must eliminate coca before they receive benefits. In the most stubborn communities, only when they see

that coca is no longer an option will they believe in the promise of AD.

*Coordinate with other USAID projects.* PDA benefited from the fact that all of USAID's projects focused on the same coca-growing regions. That made it possible for PDA to create synergies with other projects, such as Prodes, PRA, Aprendes, and MSH/Healthy Communities, on matters of decentralization, economic development, education, and health — all key to the project's holistic approach to behavior change.

Children in the Santa Ana community can now play at this recreation center, one of 152 such facilities built by PDA.



PDA / ANTONIO MARTINEZ





**U.S. Agency for International Development**

1300 Pennsylvania Avenue, NW

Washington, DC 20523

Tel: (202) 712-0000

Fax: (202) 216-3524

[www.usaid.gov](http://www.usaid.gov)