



PILDAET
PILDAET

A Putumayo Early Eradication Program: Strategy, Achievements and Plans

PRESENTATION TO USAID – COLOMBIA NOVEMBER 12th 2002



CHEMONICS COLOMBIA



**Colombia
Siembra Paz**

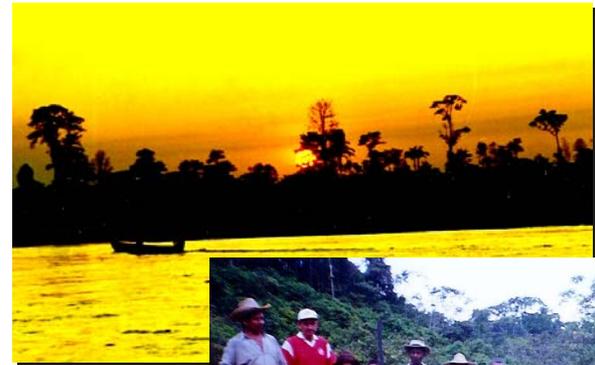


Nuevo Putumayo
Tranquilo y sin coca

Putumayo Conditions at Start-up

(1 of 2)

- Indian and colonist population of 325,000
- High migration level but some 70% with land titles
- Violence, conflict, and delinquency commonplace
- Weak social and institutional infrastructure
- Regional economy inflated by coca trade.



Putumayo Conditions at Start-up

(2 of 2)

- Massive Social Pact effort by GOC and FIP investment
- Problems with delivery of benefits and honoring eradication commitments
- NGOs had regional experience
- Willingness to eradicate increased after fumigation began in October 2001
- Farm gate prices and profitability of coca were dropping.



What Conditions Were Needed for Success



- Agile and substantial disbursements
- Gain local support through development of trust and program ownership
- Establish credibility through responsiveness
- Achieve eradication
- Develop impact at the regional level
- Identification, promotion and establishment of verified viable opportunities for sustainable development.



Putumayo Program Strategy

**GOVERNMENT OF COLOMBIA
PNDA**

**PLAN
PUTUMAYO**

PILDAET

USAID

CHEMONICS

- RAIZ X RAIZ
- RUBBER
- HEART OF PALM
- FOREST & WOOD PRODUCTS
- INFRASTRUCTURE
- COFANES

- PILDAET:**
- Vida y Futuro
 - Fundaempresa
 - Restrepo Barco
 - Maloca
 - Huairasachac
 - Comfamiliar
- RAÍZ POR RAÍZ:**
- Fundaempresa
 - Vida y Futuro
 - Cecoin/Corfas
- RUBBER:**
- Futuro Ambiental
- HEART OF PALM:**
- Agroamazonía
- FOREST & WOOD PRODUCTS:**
- CONIF
- INFRASTRUCTURE:**
- Gerpromayo
- COFANES:**
- Fundación Zio´Ai

- Small scale production
- Economic activities

- COMMUNITY
- EMPOWERMENT
- PARTICIPATION
- CREDIBILITY

- Rural Infrastructure

- EXPANDED ECONOMIC ACTIVITIES:**
- Agroindustrial Clusters
 - Forest & Wood Products
 - Infrastructure

How PILDAET Strategy Responds to Needs

(1 of 2)

- Drew upon various NGO grant operators with Putumayo experience and provided them with financial and administrative training for effective grant management
- Increased municipal participation (CMDA)
- Strengthened community participation through JACs
- Created mechanisms for decentralized problem solving and decision making
- Ensured that grant operator commitments to communities were honored
- First voluntary eradication was achieved by policy of 50% to show good will and remainder upon receiving first disbursement.



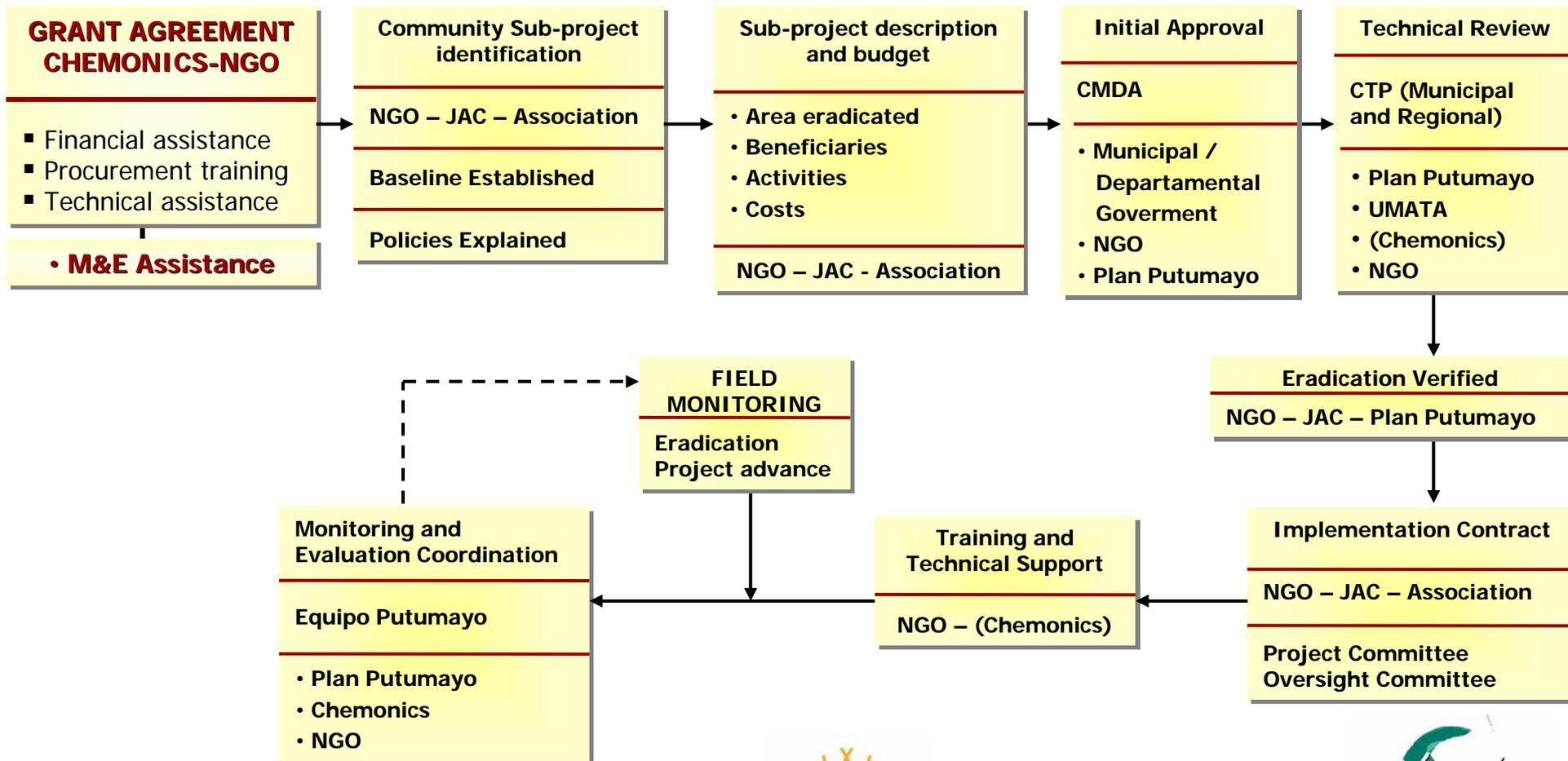
How PILDAET Strategy Responds to Needs

(2 of 2)

- Baselines of hectares in coca were established at the community level
- Implemented strategy on a large scale – in nine municipalities - covering 20% of the more than 30,000 signers of the Social Pacts
- The grant agreements are broad-based permitting diverse activities that contribute to USAID's intermediate results
- Prior and simultaneous verification of applicable markets and technologies
- Established complementary programs in forestry and infrastructure to increase licit alternatives and generate jobs and incomes
- Monthly review of sub-projects *in-situ*



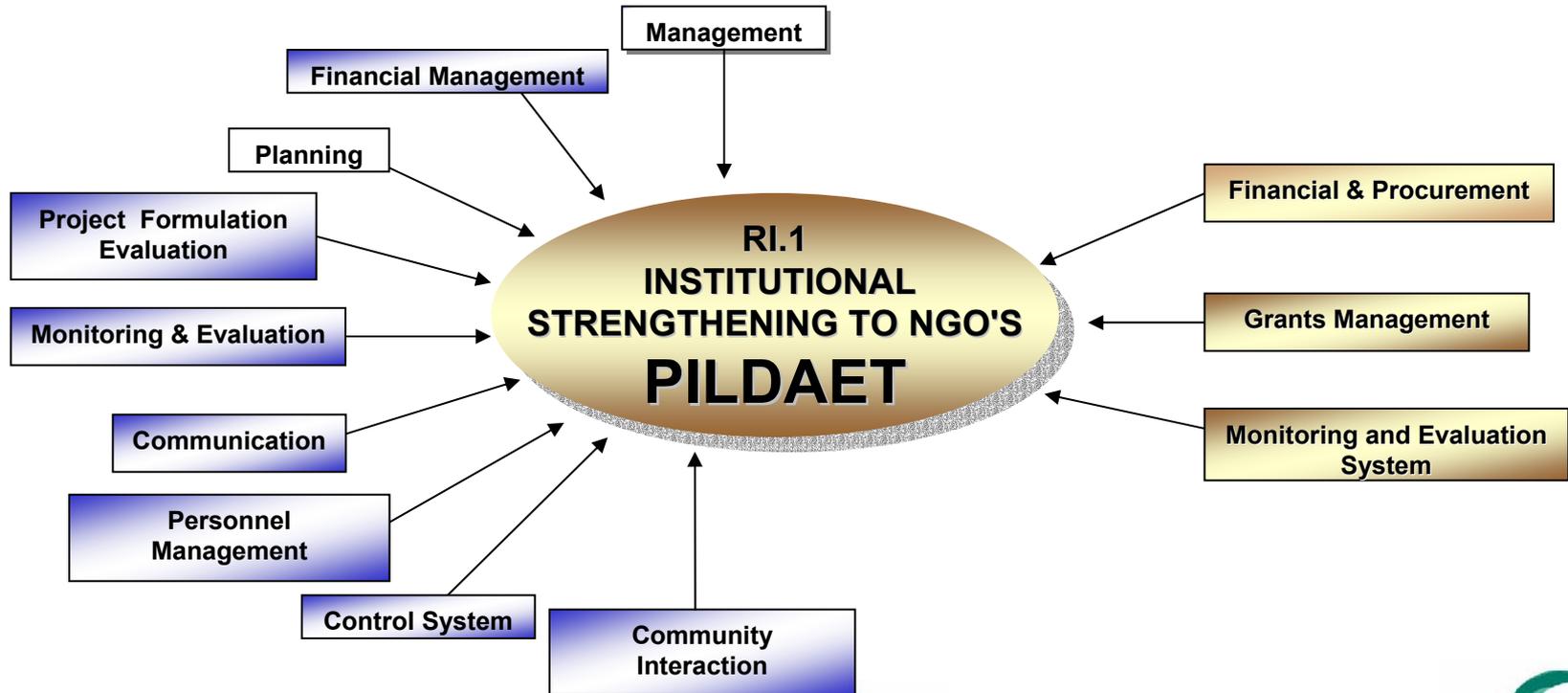
PILDAET 'S OPERATIONAL FLOW



RI.1 Institutional Strengthening to NGO'S

TRAINING SUPPLIED BY PLANES Y PROYECTOS

TRAINING SUPPLIED DIRECTLY BY CHEMONICS



Achievements of PILDAET

- Families Benefited, Hectares Eradicated, Licit Crops Supported, Disbursements
- Verification survey
- Social Capital
- Sustainable Economic Development



CAD – Putumayo – PILDAET Results

(September 30th 2002)

Indicator	Has eradicated	Families Benefited	Licit Has. Supported	Disbursements(Grant Funds - US Dollars)
Contract Target	13,000	5,300	32,000	\$67,647,208*
Total CAD (Grants)	11,302	16,055	11,182	\$24,662,439
Total Putumayo	10,071	12,461	8,732	\$18,242,987
Total PILDAET	5,991	4,233	4,162	\$7,323,673
Putumayo / Total CAD	89%	78%	78%	74%
PILDAET / Putumayo	59%	34%	48%	40%

* Grant funds only. ACCI fund not included.



CHEMONICS COLOMBIA



Colombia
Siembra Paz



Nuevo Putumayo
Tranquilo y sin coca

Verification Survey For PILDAET Program

Hectáreas Verificadas

Municipio	No. Predios Muestra	Has. Área Pactada	Has. Área en Ilícitos	% Ilícitos Vs Pactadas	% Área verificada sin ilícitos Vs. Pactada
Orito	146	322	8,88	2,76%	97,24%
Puerto Asis	85	126,2	14,25	11,29%	88,71%
San Miguel	25	35,75	1,27	3,55%	96,45%
Valle del Guamez	126	186,55	4,00	2,14%	97,86%
Villagarzon	33	31,5	3,00	9,52%	90,48%
Mocoa	20	26,75	0,00	0,00%	100,00%
Puerto Caicedo	32	95,5	1,00	1,05%	98,95%
Total	467	824,25	32,40	3,93%	96,07%



Verification Survey For PILDAET Program

¿POR QUÉ ERRADICÓ?		
	NUMERO	PORCENTAJE
A. Evitar fumigación	220	30.5%
B. Cambiar forma de vida	184	25.6%
C. Problemas con el cultivo	25	3.4%
D. Por compromiso con el programa	145	20.1%
E. Otros (Violencia, Ejemplo para los hijos)	145	20.1%
Pregunta de selección múltiple	719	100%



Social Capital Achievements of PILDAET

(1 of 3)



- One of the most important elements of the PILDAET program are the social capital achievements. These are the building blocks for achieving the success that we have made in the past months.
- The development social capital (tejido social) is fundamental. The deterioration of social capital is one of the principal costs of the coca culture.



Social Capital Achievements of PILDAET

(2 of 3)

- The creation and/or strengthening social capital institutions such as the JAC, CMDA and CTP has integrated the communities into the decision-making process and they are now taking ownership of the projects and the program.
- Under the PILDAET this process can be described as:

Participation

Ownership

Empowerment

Support Network



Social Capital Achievements of PILDAET

(3 of 3)

The following are comments made by beneficiaries during the verification survey last October:

- “Our values have positively changed with the eradication....we feel better now...”
- “The armed groups outside the law and also common delinquency are not bothering us now....we are in relative peace....”
- “Our income has decreased but we are showing that we can live as law-abiding people with dignity...we are creating a future for our children...”
- “Our confidence in the government programs is better...finally they are meeting all the promises made in the past”



Outputs by Sub-Project Categories

(Oct 30, 2002)

PROJECTS	#PROJECTS	Families Benefited	Hectares Eradicated	Licit Has. Supported	Financed by PILDAET US Dollars Approx.*
CROPS	8	212	319	112	298,000
SMALL AGROINDUSTRIAL	6	150	158	44	283,200
CROPS AND LIVESTOCK	64	2559	4374	3363	4,490,000
INFRASTRUCTURE	15	57	103	0	366,000
MICROENTERPRISE	3	16	35	0	54,500
SMALL LIVESTOCK	31	1274	1898	767	2,289,000
TOTAL PROJECTS	127	4268	6887	4286	7,780,700

* EXCHANGE RATE= C\$2.700/1USD



CHEMONICS COLOMBIA



Colombia
Siembra Paz



Nuevo Putumayo
Tranquilo y sin coca

PILDAET Sustainable Economic Activities



- Establishing production facilities and providing technical assistance and market linkages to support poultry, swine, fish farming, cassava production for industrial use, pasture improvement, agro-forestry, livestock feeding, etc.



- Established and utilizing a technical training facility with demonstration and test production facilities in Puerto Asís developed with the Municipal government
- Supporting the CAD/CONIF Forestry and Wood Products Program, Hearts of Palm, and Rubber Projects.



Sub-project Example: Broilers For Local Markets (1 of 5)

Objective And Market

- Objective: Establish competitive self-sustaining local poultry industry and substitute for 50% of imported broilers by end 2003
- Market size: 670,000 broilers per year imported from other regions (US\$ 1,700,000) Approximately 75% of Putumayo consumption
- Market trend: Putumayo poultry consumption growing from 11.5 lb. per year per capita average towards national average of 30 lbs. per year
- Market preference: 4.5 lb. local grown, yellow-skinned, fresh dressed versus 3 lb. imported, white-skinned, frozen broilers.



Sub-project Example: Broilers For Local Markets (2 of 5)

Technology

- Broiler production sub-projects form part of livestock, feed, slaughter, processing, and distribution cluster under development
- Broiler units are well ventilated, small-scale (400-500 birds) using basic all-in-all-out confinement rearing system with staggered production schedules
- Locally manufactured concentrates will be available before end 2003



Impact of appropriate technology.

- Reduced mortality
- Improved feed conversion
- Reduced feed costs
- Reduced cost to producer and consumer
- Substitution of extra-regional imports
- Development of new markets for feedstuffs and feed.



Sub-project Example: Broilers For Local Markets (3 of 5)

Private Sector Participation

- Producers association to become input supplier and marketing/sales enterprise
- Goal to secure participation of established industry players to assist with management and capital investment
- Seeking FINAGRO guarantees and commercial bank loans to establish local feed milling during 2003
- Additional private sector participation in hatchery and processing facilities are longer term goals.



Sub-project Example: Broilers For Local Markets (4 of 5)

Cost/Benefit Elements

- Production and distribution costs estimated using imported feed at US \$0.65 - 0.70 lb. and with locally manufactured feed, at \$0.45 - 0.50 lb.
- Current Putumayo market price is US \$0.77 lb.
- Targeted sales price of \$0.69 lb. is 10% below market price. Using locally manufactured feed, the gross margin is \$0.22 lb.
- Annual production and distribution of approximately 340,000 dressed broilers expected to generate US\$1,000,000 in new sales during first full year of operations.



Sub-project Example: Broilers For Local Markets (5 of 5)

Projected Program Impact

- At least 100 families establish new sustainable businesses
- New local sales of US \$1,000,000 per year generated
- Lower cost of poultry products to consumers increases local nutrition
- Increased local markets for feedstuffs and manufactured feed increases local employment, income opportunities, and expansion of licit crop hectares.



Sustainable Economic Activities Strategy for the Future (1 of 2)

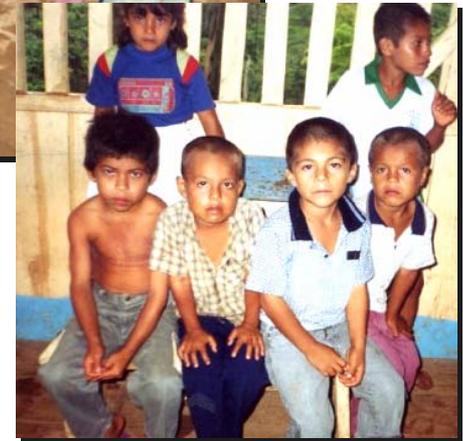


- Establish a Putumayo investment fund to promote and support the most attractive economic opportunities
- Shift away from rapid response, supply-driven interventions, to viable market-led opportunities
- Stimulate private sector linkages, investment, and commercial lending to graduate businesses from the program portfolio
- Shift technical support for enterprise development to NGOs, specialized grant operators, and private businesses and away from direct CAD assistance.



Sustainable Economic Activities Strategy for the Future (2 of 2)

- Further expand Rural Infrastructure particularly road improvement, bridges, river docking facilities
- Concentrate the geographic focus towards production zones with greatest potential
- Promote greater access to GOC and NGO provided basic social services with USAID partners and Plan Colombia
- Assist Plan Colombia to facilitate public sector awareness and support for program activities by publicizing licit business successes of coca-free communities.



Building Blocks

- PILDAET has established levels of credibility, social capital, and local ownership that can facilitate the development of future sustainable economic development opportunities.
- The geographical focus of PILDAET includes the areas of Putumayo most propitious for economic development in terms of physical characteristics and market access.
- The three pronged strategy of interdiction, forced eradication and alternative development is working.



Future

- Development of selected appropriately scaled productive clusters in the sub-sectors of:
 - Animal feed and livestock, including cassava and fishculture.
 - Tropical Plants: Vanilla and black pepper
 - Tropical flower and foliage for the cut flowers industry
- To the extent possible, involve private sector from outside the region along with commercial bank financing for expanding the clusters. This is both a development strategy and an exit strategy.
- Expand rural infrastructure
- Expand Forest & Wood productive cluster
- Improve communication strategy





PILDAET
PILDAET

A Putumayo Early Eradication Program: Strategy, Achievements and Plans

PRESENTATION TO USAID – COLOMBIA NOVEMBER 12th 2002



CHEMONICS COLOMBIA



Colombia
Siembra Paz



Nuevo Putumayo
Tranquilo y sin coca