

## Data Sheet

<b>USAID Mission:</b>	Colombia
<b>Program Title:</b>	Alternative Development
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	514-008
<b>Status:</b>	Continuing
<b>Planned FY 2005 Obligation:</b>	\$70,694,000 ACI
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2006 Obligation:</b>	\$83,257,000 ACI
<b>Year of Initial Obligation:</b>	2000
<b>Estimated Year of Final Obligation:</b>	2008

**Summary:** USAID's alternative development program provides licit income and employment opportunities. Assistance is also provided for social and productive infrastructure as a means for improving access to markets and services which increases and expands licit economic opportunities. The strengthening of licit economic opportunities will contribute to permanent abandonment of illicit crop production.

### **Inputs, Outputs, Activities:**

**FY 2005 Program:** Develop and Expand Alternative Development: USAID's Alternative Development program will include the following major assistance areas:

Strengthen National and Local Economic Institutions (\$600,000 ACI). USAID will provide technical assistance to strengthen the Government of Colombia's (GOC) National Alternative Development Plan in the areas of planning, implementing, monitoring, and evaluating. Technical assistance will also strengthen business development service providers and the long-term sustainability of the Family Forest Guardian program. USAID will launch a trade capacity building program to sustain and expand job and income creation benefits and support priority economic policy and institutional reforms that expand private sector investment and employment creation opportunities. Principal implementers are Chemonics, Pan-American Development Foundation (PADF), Associates in Rural Development (ARD), Agricultural Cooperative Development International/Volunteers for Overseas Cooperative Assistance (ACDI/VOCA), Carana Corporation, Land O'Lakes, and Aid to Artisans.

Expand and Improve Rural Economic and Social Infrastructure (\$8,900,000 ACI). Technical and financial support will be provided to build or rehabilitate infrastructure such as local rural roads and associated bridges, school facilities, rural health clinics, and potable water systems in remote regions of the country to generate new jobs and improve access to basic services. Road improvements will significantly improve transportation and improve the ability of new agro-industries and related enterprises in the area to market their products, improve their ability to compete in national and international markets, and provide licit employment. USAID will support community-based decision making for infrastructure projects. The principal implementers are Chemonics, PADF, and ARD.

Support Democratic Local Government and Decentralization (\$6,600,000 ACI). The local governance program will provide technical assistance to enhance the capacity of 30 new municipalities to deliver services and to strengthen their fiscal conditions by increasing their revenues through the updating of cadastres and municipal tax codes. The social and economic development of targeted local governments will be enhanced by implementing 69 social infrastructure projects. This assistance will directly support U.S. Government counter-narcotics objectives by strengthening community solidarity, engaging entire communities in a collective decision to eradicate drug crops, and strengthening the community's resolve to resist drug crop

production and narcotrafficking activities. Additionally, USAID will promote the formation of 69 new citizen oversight committees in participating municipalities. The principal implementer is ARD.

Develop and Expand Economic and Social Alternatives (\$42,560,000 ACI). USAID will provide technical assistance to promote agricultural and non-agricultural economic alternatives that provide legal income and employment alternatives for former (or potential) drug crop producers. Non-agricultural activities will include support to small and medium-sized private enterprises to generate employment and to help them become more competitive, thus increasing their capacity to create licit employment. USAID will focus on a broad range of productive agricultural activities in geographic areas involved in or under the influence of illicit crop production. The prime implementers are ARD, Carana, PADF, ACDI/VOCA, Land O'Lakes and Chemonics.

Improve Sustainable Management of Natural Resources and Environment (\$7,500,000 ACI). Technical assistance and training will be provided to promote sustainable production through agro-forestry and silvo-forestry systems. USAID will implement activities in or near national parks to improve the overall management of the Colombian park system to better protect its resources and improve visitor services. Technical assistance will be provided to improve management of critical buffer zones around national parks. USAID will continue to work with indigenous communities in protecting the environment and indigenous cultures. Prime implementers are Amazon Conservation Team, Chemonics, and Department of Interior).

Program Administration (\$4,534,000 ACI). USAID will continue to cover the administrative costs of managing the program.

**FY 2006 Program:** Develop and Expand Alternative Development. The Alternative Development program will include the following areas of assistance:

Economic and Social Alternatives (\$43,781,000 ACI). USAID plans to initiate new activities to expand economic and social alternatives in selected municipalities emphasizing private sector participation, sustainability and increased Colombian ownership. In support of voluntary eradication, the program will seek to generate alternative employment and increase licit agricultural output and exports. Activities will include community level income generation efforts directly linked to illicit crop eradication, small scale socio-economic infrastructure investments, and local government strengthening. Implementing entities will be determined.

Mobilize Private Sector Investment (\$34,876,000 ACI). USAID plans to provide technical assistance to mobilize private sector investment in agribusiness production, processing and transport in identified economic growth corridors. These investments will provide employment for a largely rural-based labor force, and increase farmer incomes where farmers, laborers, and business owners have achieved certification that their land is free of illicit crops. This program will include four components: 1) private sector investment promotion and technical assistance; 2) small and medium enterprise development; 3) commercial forest and forest product development; and 4) policy-related activities at the local and national level to improve economic governance and create an enabling environment conducive to regional investment, employment generation, and increased trade. USAID plans to work with national level institutions in the public and private sectors to improve the investment environment, including trade capacity building and policy reform. Implementing entities will be determined.

Program Management (\$4,600,000 ACI). USAID will continue to use funds to cover the costs of managing the program.

**Performance and Results:** During FY 2004, USAID helped establish approximately 16,508 hectares of licit crops and completed 182 infrastructure projects in 13 municipalities in coca and poppy growing areas. The program has benefited over 12,845 families. These results were achieved through a strong collaborative effort of 269 Colombian organizations. The large-scale

aerial spraying of coca areas, coupled with USAID's successful alternative development program, has helped convince small farmers to abandon illegal crop production. These efforts will help reduce coca cultivation in Colombia and stem the flow of illicit drugs to the United States.