

# Progress report on coca crop substitution in Colombia

## Trends, challenges, and recommendations<sup>1</sup>

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**Fundación Ideas para la Paz monitors and analyzes the main advances and challenges of the coca substitution process, with the goal of providing information and recommendations to relevant actors, as well as the citizenry. The intended audience of this summary is decision-makers in the United States of America. It aims to offer relevant input to the discussion about support for implementation of the Peace Agreement and cooperation in Colombia.**

### Recommendations to the Government and Congress of the United States of America

- 1. Continue to support implementation of the Peace Agreement and take advantage of the window of opportunity opened by the disarmament of the FARC.** The authority and legitimacy of the State are directly proportionate to its capacity to respond to regional needs and win communities' trust. It is necessary to accelerate the implementation of the agreement and strengthen the presence of the State to avoid the re-emergence of organized armed groups.
- 2. Confronting Colombia's Coca Boom Requires Patience. Adjust expectations and understand that pressure from the United States could be counter-productive.** Colombia shares the concern over the increase in coca crops. However, pressure to lower the number of hectares of crops at

all costs could result in inefficient management of resources, unsustainable interventions, and even abuse of authority by the State.

- 3. Learn from previous experiences and do not insist on what has not functioned in the past.** The United States and Colombia have broad experience in working together to fight drug trafficking and attend to the drug problem. This experience shows that fumigation and forced eradication are short-term measures that do not modify the root of the problem: vulnerability in the regions in which the crops are concentrated.
- 4. Explore other ways to support coca crop substitution, generating added value** with resources focused on verification, transparency mechanisms, and strengthening State capacities, especially in the provision of public goods and services in the most affected regions.

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<sup>1</sup> This document is based on Fundación Ideas para la Paz (FIP)'s Second Quarterly Report "¿En qué va la sustitución? Principales avances, desafíos y propuestas para hacerles frente" ("Progress report on coca crop substitution in Colombia: Main advances, challenges, and proposals to address them") (August - October 2017). FIP is a Colombian think tank directed by Maria Victoria Llorente. The report was the responsibility of associate researcher Juan Carlos Garzón-Vergara, and Eduardo Álvarez-Vanegas, director of the FIP Conflict Dynamics and Peace Negotiations work area. The authors thank Adam Isacson and Julián Wilches for their comments on this document.

5. **Anticipate social conflicts that are emerging and in the long run ultimately will pose several obstacles**, to ensure the viability of the substitution strategy and the transition to legal institutions and economy. The key aspects to respond to this challenge are the active involvement of mayors and governors, dialogue with organizations and communities, clear protocols and procedures for the police and the armed forces to avoid excessive use of force, give priority to voluntary substitution and accelerate the implementation of agreements.
6. **Measure progress made in implementation of the Peace Agreement beyond decreases in the number of hectares of coca.** It is necessary to incorporate indicators that take processes of change into account, such as improvement in security conditions, access to justice, provision of public goods and services, and development opportunities.
7. **Address the problem of illegal crops from the perspective of regional development, supported by a security strategy.** The transformation of conditions that facilitate coca cultivation should be prioritized and accompanied by a clear security strategy focused on protecting communities. The United States' support could play a crucial role in generating local capacities.
8. **A call to change the scope of the strategy in terms of the complexities and local realities**, due the ongoing and differentiated criminal and conflict dynamics in each territory, the interests behind the social organizations and the functioning of the criminal economies –not only cocaine production, but also illegal mining. It is important to address the fact the substitution strategy entails other small-scale negotiations that are, to a large extent, determined by these realities.
9. **In terms of how to respond to criminal**

**organizations, strengthen cooperation focused on weakening the strongest links in the chain**, with measures focused on combatting money laundering and corruption, the destruction of infrastructure used to produce cocaine, and the interception of key drug trafficking routes. It is also important to create and strengthen local capacities and articulate them in order to have a better response and decrease the dependence on the national level.

### **The coca boom: Trends and explanations**

**Coca crops and potential production of cocaine have increased.** The Colombian government and United Nations monitoring system estimate that in 2016, there was a significant increase in crops (from 96,000 hectares in 2015 to 146,000 hectares in 2016) and in potential production of cocaine base (from 646 metric tons to 866 metric tons in the same period).

**The crops are concentrated in the same areas as before, and close to border zones.** The greatest concentration of crops is found in areas that have experienced coca cultivation constantly over the last 10 years. Ten municipalities of 1,122 in Colombia concentrate 50% of the coca crops, and 30% of cultivation occurs less than 20 kilometers (approximately 12.5 miles) from a border.

**The coca cultivation zones are characterized by low state presence, great disconnection from development activities, and strong presence of illegal armed groups.** The municipalities with coca are more impoverished than the rest of the country (87.3% on the Multidimensional Poverty Index), have limited tax income, and exhibit low levels of transport and other communications connectivity (58%

- deficient) and development. In addition, there are multiple armed actors in these regions.

There is no sole explanation for the increase in coca crops. Among the factors that have influenced the increase, it is worth highlighting:

- a. **The decrease in the perception of risk by coca growers** due to the suspension of aerial fumigation and the decrease of forced eradication.
- b. **The increase in the value of the dollar and the low value of gold.** The dollar rose, generating greater incentives for the high and middle-level links of the chain. Meanwhile, the price of gold fell, with the effect of displacing illegal mining workers to coca cultivation.
- c. **The collateral effects of the peace process.** Coca growers' expectation of accessing benefits contributed to the increase in cultivation. In addition, there was a reconfiguration of the order of illegal organizations in the middle of the peace process, with illegal armed actors pressuring production and seeking to fill the voids left behind by the FARC.

**The Colombian government established the goal of substituting and eradicating 100,000 hectares of coca in 2017.** With respect to the increase in crops, the Colombian government committed to the forced eradication of 50,000 hectares of coca and the substitution of another 50,000 through implementation of the Substitution Program. On paper, the eradication targets large crops, crops controlled by armed groups, and crops planted after July 2016, while substitution is concentrated on small-time growers. However, the difference between one group and the other has not been established.

## **The Substitution Program: Slow progress amid uncertainty**

The National Integrated Program for the Substitution of Illegal Crops<sup>2</sup> (henceforth NIPSIC) included in the Peace Agreement was designed to support coca growers' transition to legality. NIPSIC was announced on January 27<sup>th</sup>, 2017, and began formal operations on May 29<sup>th</sup> as part of construction of collective agreements with the communities who have committed to substitute crops. In some regions, this includes not only families who cultivate coca but also producers of legal crops, and landless harvesters.

On this foundation, the Program is progressing in making individual agreements with families who have small plots, by delivering monthly stipends or subsidies subject to the eradication of coca plants, which should occur in the first two months after the first payment. NIPSIC includes technical assistance for families who participate in substitution, as well as the design and implementation of Integrated Community and Municipal Substitution and Alternative Development Plans<sup>3</sup>. The first payments were delivered in May, and the communities have been fulfilling their commitments. Today, there are villages that are free of coca.

It is worth highlighting that the NIPSIC has entered regions in which coca crops have historically been concentrated and the state has been absent. The problem is that limited capacities have been deployed in a disparate manner, and without a clear and coordinated approach to intervention in these areas. The

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2 "Programa Nacional Integral de Sustitución de Cultivos de Uso Ilícito" or PNIS in Spanish.

3 Planes Integrales Comunitarios y Municipales de Sustitución y Desarrollo Alternativo" or PISDA in Spanish.

NIPSIC has been affected by the lack of implementation of other points included in the peace agreements, which emphasize integrated rural development.

### Substitution Program in numbers

- The Program has signed **collective agreements** that include **115,214** families and **89,444** hectares of coca<sup>4</sup>.
- **24,953** families have signed individual agreements, reporting **23,050** hectares.
- Of the total number of families in individual agreements, **6,027** were verified by the UNODC. Currently another **5,181** are in the process of verification. These **6,027** families initially reported **5,227** hectares of coca, but after verification it was found that they actually had **2,350** hectares (**4.7% of the established annual goal**). The percentage of voluntary eradication verified is **94%**.
- Of the **6,027** families verified by UNODC, **79%** were crop growers, and the other **21%** are families who do not have coca crops, but rather have other roles such as harvesters.
- Between October and November of 2017, the NIPSIC aims to progress with the first payments for **17,372** families who reported **17,236** hectares.
- Adjusting this number to the difference between reported and verified, the projection for 2017 is: **2,350** hectares verified to date, plus **7,756** hectares (adjusted) in which coca will be manually pulled out after the first payment, meaning approximately **10,106** hectares in the process of substitution.
- **Projection:** Under current conditions, the NIPSIC could result in a decrease of approximately **10,106** hectares of coca in **2017 (20% of the established annual goal)** without taking re-sowing into account.

### The side effects of the Substitution Program

#### Generation of expectations and social conflict.

The Program has caused high expectations in local communities, but these expectations do not correspond to State resources and capacity. The gaps between delivery of subsidies, technical assistance, and investment in public goods and services have generated discontent in the population, and could exacerbate

social conflict. The backdrop to this dynamic is a long history of abandonment and failure to fulfill commitments, which has led to high levels of mistrust towards the State.

#### Empowerment of social organizations that aim to be spokespeople for coca growers.

Under pressure to produce results in reaching agreements, the NIPSIC has opened spaces for interaction with organizations that do not necessarily represent coca-growing popula-

4 According to the Colombian government and UNODC Illegal Crops Report (2016), approximately 106,900 homes with an average of five people per home received income from coca cultivation. It is important to take into account that the NIPSIC also includes families who are not growing coca.

tions. This has translated into tensions at the local level, and politicization of the process in favor of these organizations, as well as of the FARC.

**Increase in the price of coca leaf and market boom.** At first, the price of the coca leaf decreased. However, in the last quarter it has risen again in connection with the reactivation of the market by criminal actors who compete against each other in their goal of taking over territory.

**Exploitation of the populations by drug trafficking groups.** In areas in which collective agreements have been signed, factions of

drug trafficking organizations have threatened and intimidated local populations so that they block attempts at forced eradication of “industrial” crops.

**Displacement of illegal economies.** The absence of coca crops and the lack of a clear response by the NIPSIC have provoked the displacement of harvesters to areas in which the Program has not been implemented. In addition, illicit precious-metals miners have been arriving in some NIPSIC areas, waiting to take advantage of the deactivation of the coca economy and the power gaps left after the disarmament of the FARC.

## Main challenges of substitution

- 1. Define the scope of the Program, taking into account available resources.** The NIPSIC has grown to include families and regions. However, there is still uncertainty about available resources to cover family allowances, technical assistance, and productive projects. The Program has clearly exceeded the capacity of the State.
- 2. Going from the delivery of subsidies to the implementation of a coordinated plan that provides conditions for coca growers’ transition to legality.** It is necessary to define a methodological and operational plan for integrated technical assistance. The government should accelerate the implementation of the agreements and avoid delays that generate uncertainty in communities.
- 3. It is still necessary to coordinate the NIPSIC with integrated rural reform.** The NIPSIC is a component of integrated rural reform –the topic of the peace ac-

cords’ first and most ambitious chapter. Without such reform, the Program will not achieve necessary transformations so that the regions break their relationship with illegal crops. A key point in this sense is that the NIPSIC must coordinate with Regional Development Plans<sup>5</sup>. This coordination is made more difficult by the fact that the NIPSIC has been the tip of the sword for implementation of the Peace Agreement, with active participation by the FARC. The Regional Development Plans have a 10-year implementation period, and do not include this ex-guerrilla group.

- 4. Institutionalizing the NIPSIC and ensuring that it balances out the influence of**

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5 The Regional Development Plans are part of a program for integrated transformation of rural areas over the next 10 years. The program will implement integrated rural reform projects in the regions most affected by the armed conflict in Colombia. The Regional Development Plans should be understood as a planning and management instrument to prioritize implementation of the components of integrated rural reform.

**the FARC.** It is necessary to institutionalize the Program. This requires the expedition of regulatory decrees, the design of relevant public policy and protocols, and the generation of capacity to support the Program's various phases. The FARC's role has been key in terms of the NIPSIC's introduction in the regions that were under their control, including handing over valuable information about large-scale crops and coca buyers in some areas. However, this must be accompanied by greater visibility and a more significant role for regional entities and state institutions. This does not mean excluding the FARC, but rather normalizing their influence as another political actor.

- 5. Prioritizing the protection of the communities over crop eradication.** The recent massacre of six "peasants" (*campesinos*) in Tumaco, Nariño department, in the middle of a forced eradication operation by the anti-narcotics police highlights the effects of prioritizing the decrease of crops over the protection of the population. The State should take urgent measures to re-define the management of social protests in order to prevent and clarify abuses of authority, and strengthen spaces for dialogue.
- 6. The advantage of the disarmament of the FARC in order to consolidate state presence.** This window is closing quickly. Organized armed groups including FARC dissidents, the ELN, criminal organizations such as the "Clan del Golfo", transnational criminal networks that have presence with their respective emissaries and local drug dealers are rapidly progressing in the occupation of the regions. These groups and agents

are pressuring communities not to participate in the NIPSIC and to reject its implementation in areas with crops. In order to quell this trend, the State should concentrate its attention on the parts of the chain that have the greatest capacity for threat and use of violence, while establishing security guarantees for the communities, their leaders, and ex-combatants. This should connect to a holistic strategy to confront organized crime in rural areas.

- 7. Progress in access to land for small-scale producers.** One of the main obstacles that the small-scale coca producers will confront in making their transition to legality is the lack of available land for productive projects. Although this situation may not be very different from that of an average peasant, it is made more acute by two factors: 1) a significant part of the land used for crops is rented, and the rental relationships often depend on coca profits (rent payments are equivalent to a percentage of production – a value not easily achievable with a legal crop); 2) the sizes of the plots are insufficient for crops like cocoa and coffee. These are peasants who have, on average, less than a hectare of land each. Solving this problem will not be easy, but implementation of the Peace Agreement is the way to achieve progress in access to land for this population. A key factor that can impede the viability of the substitution strategy and the post conflict effort is the fact that many peasants (*campesinos*) have lived or harvested their crops in protected land (indigenous territories and Afro-Colombian communities, as well as natural parks).