

# Fighting poverty and land degradation with leasehold agreements

The Hills Leasehold Forestry and Forage Development Project was launched by the Government of Nepal in 1989. Its goal was to reduce poverty and restore degraded environments in the Middle Hills by leasing small blocks of public forest land to groups of rural poor people, who would use, regenerate, protect and manage them. The USD 20.4 million project was financed by the Government of Nepal with an IFAD loan of USD 12.8 million, a USD 3.4 million grant from the Royal Netherlands Government, and contributions of USD 2.7 million and USD 1.5 million from His Majesty's Government of Nepal and project participants. When the project ended in 2003, 1,773 leasehold forestry groups had been formed, 12,028 households were included, and a total of 7,457 hectares of degraded forestland were handed over to rural poor people.



## Lessons learned

- Transfer of land with degraded forests to the very poor on renewable 40-year leases can reduce poverty and reforest the land.
- When secure land tenure is granted to poor groups, the local power structure can be challenged. Unless the organizations of the poor are strengthened, conflict over the resource may nullify the formal security of tenure.
- The impressive re-greening of most leasehold sites seems unlikely to be reversed, provided that grazing bans are maintained.
- Rapid regeneration may require more intensive forest management, such as thinning and clearing over time. Leasehold groups' operating plans need to be reviewed regularly to ensure that they are responding adequately to changing land quality.
- Leasehold groups will need to ensure adequate forage and labour to maintain the increased numbers of livestock that have resulted from leasehold forestry.
- It is important for leasehold groups to establish alliances and cooperatives to ensure that they will be able to form and maintain organizations lasting for the duration of the lease.
- Much can be gained from coordination and cooperation among forestry and livestock services, which otherwise tend to be at odds with each other.





## CONTACTS

Nigel Brett  
Country Programme Manager for Nepal  
Asia and the Pacific Division, IFAD  
Via del Serafico, 107  
00142 Rome, Italy  
Telephone: +39 06 54592516  
E-mail: [n.brett@ifad.org](mailto:n.brett@ifad.org)

## LINKS

The full case study is available at:  
[www.ifad.org/events/reducingpoverty](http://www.ifad.org/events/reducingpoverty)

Electronic Networking for Rural Asia/Pacific  
Projects (ENRAP)  
[www.enrap.org](http://www.enrap.org)



## Contact information

International Fund for Agricultural Development  
Via del Serafico, 107  
00142 Rome, Italy  
Telephone: +39 06 54591  
Fax: +39 06 5043463  
E-mail: [ifad@ifad.org](mailto:ifad@ifad.org)  
[www.ifad.org](http://www.ifad.org)

# Results

The transfer of land with degraded forests to the very poor on renewable 40-year leases reduced poverty and improved the forest environments in the Middle Hills. The impact included:

- Number of goats increased from an average of 3.9 head to 4.4 head over a three to five-year period.
- Availability of animal feed and forage self-sufficiency increased significantly.
- Annual household income increased from USD 270 to USD 405 from sources related to leasehold forests.
- Increased income translated into greater food security and improved diet.
- After five years, women spent 2.5 hours less per day collecting forage and firewood.
- Women's self esteem and confidence rose because they had more time for income-earning activities and to attend meetings, training and literacy classes.
- School attendance increased because there was less need for children to herd grazing animals.
- Environmental degradation reversed at most sites. Ground cover in new sites averaged 32 per cent, increasing to 50 per cent after one growing season, and eventually reaching 100 per cent coverage.
- Biodiversity increased significantly. In two sites, the number of plant species increased by 57 and 86 per cent from 1994 to 2000.

# Scaling up

Nepal has enacted a new leasehold forestry policy and given leasehold forestry programmes top priority in its poverty-reduction strategy paper and its Tenth Plan 2002-2007. What started out as a small pilot project in 1989 has become a national programme, financially supported by the Government of Nepal and a growing number of donors. The single most important factor in ensuring scaling up of the approach was the commitment and leadership of key individuals in the Government.

