



Leasehold forestry in Nepal: restoring forests and livelihoods

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STORIES OF TRANSFORMATIONAL CHANGE

Inspirational examples highlighting transformations towards greater environmental and climate sustainability

Nepal is a country rich in biodiversity thanks to its large climate variety and wide range of altitudes: from as low as 100 metres, higher altitudes reach more than 8,800 metres above sea level. With an accentuated hilly and mountainous profile, the country is located in the Himalayas and finds itself locked in between India and China. Yet, due to geographical isolation, limited cultivable land and a growing population that increases pressure on natural resources, Nepal encounters some challenges. Increasing numbers of the population have been exploiting forests to cover their needs for energy and fodder adopting unsustainable practices of overgrazing and deforestation. And forests are one of the main natural resources in Nepal, playing a crucial role for the livelihoods of rural communities, often propping up agriculture and providing fodder for livestock. However, almost 70% of households own less than 1 hectare of land, surviving on plots that are too small to meet their subsistence requirements. As a result, food insecurity and poor nutrition are still widespread in rural areas, especially among the most vulnerable groups which include smallholder farmers, landless labourers, lower castes (*alits*), indigenous peoples (*janajatis*) and women, which suffer from social discrimination and weak and unequal access to natural resources.

Over the last century, Nepal has suffered high levels of deforestation, especially following forest nationalisation in 1957. Between 1964 and 1991 the country lost around 570,000 hectares of forest. The annual decrease rate in forest area throughout the country between 1978 and 1994 was 1.7%, and 2.3% in the hills. Given the importance of forests for Nepal's rural population and the need to stop forest degradation in its tracks, the Government of Nepal introduced new models of forest management aimed at being ecologically sustainable without compromising the lives and livelihoods of those who depended on the forest to live. Therefore, in 1978, forest management was handed over to communities of user groups organised in "panchayats" (administrative bodies, gathering representatives from many villages representing between 2,000 and 4,000 people, mainly in the hills) who were given the responsibility of forest exploitation and protection too. From 1978 onwards, various community forestry, leasehold plans and forest regulations were enacted by the government. In 2002, leasehold forestry was declared a priority programme for poverty alleviation and degraded areas regeneration, specifically targeting marginalised poor groups which had been excluded from community forest programmes.



*SDG target 15.2
By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.*

“The Commission will take measures, both regulatory and otherwise, to promote imported products and value chains that do not involve deforestation and forest degradation.”

The European Green Deal¹



Leasehold forestry has been promoted in Nepal since 1993.



41,730 hectares of state-owned degraded forest lands were handed over to groups of poor and vulnerable households



1.7 million people working with forestry groups are lifted out of poverty through Multi Stakeholder Forestry Programme, started in 2012

Conditions for transformation

The leasehold forest approach seeks to enhance forest regeneration in degraded areas while alleviating rural poverty. Under this new system and up to 2014, the Nepalese government handed over around 41,730 hectares of state-owned, virtually open-access, degraded forest lands to Leasehold Forest User Groups (LFUG) - groups of 5 to 15 of the poorest and most vulnerable households². Each household was eligible to receive around one hectare of land in the form of a group lease contract valid for 40 years, with a provision to extend it for another 40 years. Leasehold forestry households were allowed to cultivate perennial and multi-purpose plants, enhancing their income in a sustainable manner from livestock (mainly goats, due to improved fodder availability) and from planting and selling non-timber forest products mixing grass/forage and trees. In exchange, the government required that households protect their forest lands against degradation from open grazing, forest fires, soil erosion, etc., while enhancing the regeneration of trees, shrubs and grass.

Leasehold forestry has been promoted in Nepal since 1993 through the Hills Leasehold Forestry and Forage Development Project (HLFFDP) and in 2004 by the Leasehold Forest and Livestock Development Programme (LFLP). The latter was implemented in 22 mid-hill districts of Nepal, with a target of 44,300 poor households. In this framework, LFUGs received support for the preparation of forest management plans of five or more years based on landscape approaches and were provided with technical advice and training by the District Forest Offices, in order to help them in restoring the forest on their plots. The groups were also provided with basic inputs, such as tools, seeds and goats, to reduce investment costs, and had access to micro-credit opportunities to start income-generating activities. The interventions were followed by the Multi Stakeholder Forestry Programme (MSFP), a ten-year programme signed in 2012 to tackle poverty and climate change which aimed at lifting an estimated 1.7 million people out of poverty by working with existing and new forestry groups of various kinds and creating an additional 80,000 jobs.

¹ European Commission: Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions on The European Green Deal, December 2019, COM(2019) 640 final, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1588580774040&uri=CELEX:52019DC0640>

² The two eligibility criteria are: “owning less than 0.5 hectares of land” and earning at maximum “an annual per capita income of 3 035 NPRs”, which corresponds to about USD 110 at 1985/86 prices. Prospective leasehold forestry user groups (LFUGs) must first undergo a social assessment which is conducted by the District Forestry Office to determine if they are eligible.

Impact

Leasehold forestry is well established in Nepal and considered one of the most innovative and widely recognized programmes for combating poverty and rehabilitating degraded forests in the hills. Significant achievements have been made in ecosystem health, land cover, productivity and availability of useful forest by addressing the causes of degradation. Forest health has been improved through less free grazing, fewer fires, and widespread planting of locally appropriate trees, grasses and herbs, including non-timber forest product species. Food security and other components of rural livelihoods such as community infrastructure, microfinance and institutional development were also improved. Furthermore, the initiative helped drive key policies and catalysed spill-over impacts in favour of poor rural people – impacts that can still be witnessed today.

Impact studies from FAO, for example, have shown that between 25,000 to 30,000 hectares of degraded forest were rehabilitated by LFUGs, changing unproductive grassland to sparse forest (+300% of forest cover). Leasehold forests revealed to be the most rapid model to create new forest areas when compared to other forestry regimes (e.g. community forestry, private forestry, and government forests). Furthermore, broom grass and other forestry plantations replaced low-productive cultivation, providing more uses for the communities and playing a stronger role in supporting their livelihoods. More than 95% of the groups have seen an improvement in the usefulness of the forest, and over 40% have seen a

very significant improvement, in terms of access to the forest resources, increased forest cover (60–70% against 20% at the beginning) and availability of green fodder and forage.

Beyond this, leasehold forestry has allowed communities to reap further benefits. For example, the time for gathering fodder and fuel wood, mainly carried out by women, was reduced by 2.5 hours per day for each household. More than 90% of rural households in project hill areas kept livestock and converted to stall feeding, resulting in more livestock products available, contributing to improved nutritional status and food security and increased income. For instance, there has been a 16% increase in person-months of food self-sufficiency for leasehold households (against a 4% decrease in control groups); this was greatest for leasehold female-headed households (17–25%) and endangered janajati groups (15–32%). Furthermore, increased savings capacity and access to micro-credit has also been achieved as well as improvements in sanitation, literacy, household assets, and the use of energy and tools. In terms of benefits to the environment, ecosystems and climate, leasehold plots sequestered more carbon (ranging from 7.43 to 20.07 mt/ha) than control plots (3.3 to 16.87 mt/ha) and there have been increases in green vegetation (91% of the LFUGs); forest health (93%); movement of birds (94%); plant diversity and richness (86%); improved varieties of forest species (78%); increased wildlife movement (76%); and increased number of trees in the farmland (78%); improved control of landslips (45%).

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30,000 hectares of degraded forest were rehabilitated by the Leasehold Forest User Groups



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Women throw lantana into pits to ferment into green manure © CIFOR

Key take aways and lessons for the future

As highlighted by the Nepalese experience, leasehold forestry has been an innovative and successful model. Basing itself on initial recognition by the government of the interrelated problem of poverty among the poorest forest users and severely degraded forest lands and moving to action by handing over the use of widely available degraded forest or low productive wasteland to the resource-poor population, this approach has not only reduced poverty but also promoted the regeneration of Nepal's forests. Political leadership and vision at the national level have thus been crucial enablers of the transformational process. Such an approach has also fostered community action and inspired similar initiatives in related forest environments.

Women benefitted the most in terms of increased income and reduced time spent with household chores (collecting firewood, water and fodder), but also men played an increasing role in agriculture and forestry activities and were thus less likely to migrate in search of alternative sources of income. The role of extension services is also important in assisting marginalised households in implementing forest restoration and environmentally sound (green) income generating activities, promoting conservation and sustainable development. Integrating forestry with a livestock-rearing programme was crucial to generate early income and to lay the foundation for livelihood improvement, through a multi-disciplinary and holistic approach to tackle poverty while also promoting environmental sustainability based on landscape approaches.

Some lessons have been drawn from this experience and include an understanding of the need for a long-term approach for forest regeneration as this requires strong policies to ensure that households will be granted forest use during a sufficiently long period making it worthwhile for the population to invest in. Most LFUGs groups are still functioning because the individual benefits are enhanced by the small groups approach, allowing development opportunities to vulnerable marginalised poor households, whose access to natural resources is limited.

Looking forward, external funds, such as those available through green climate international funds, can complement national resources that are expected to be allocated to similar programmes, enhancing the national ownership of the process. Household participation in designing the plans and their contribution, in money or in kind (such as through manpower), has also been an important element to increase ownership and sustainability, as well as to promote spill-over effects.

Greening EU COOPERATION

Integrating environment & climate change

Environment and climate change mainstreaming is a legal EU requirement, essential to meeting international and internal commitments, and to supporting sustainable development worldwide. The EU is actively doing its part through the European Green Deal and will support partners to do the same.

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