

Subsequently tenancy rights were abolished. This brought an end to the dual-ownership of land, which was a constraint to increasing production. A six months' notice period was given for tenants to claim their rights, but it is being argued that a large number of tenants in Nepal are not registered², and that they suffered as a result of the fourth amendment. The fifth amendment that came into force in 2001 and has reduced the ceilings whilst retaining the provisions of the Fourth amendment. However this was not implemented for a long time owing to a court case which halted the program, citing that it violated property rights, which were enshrined in the then constitution. Recently, the court has given an order to the government that this needs to be implemented. However, in reality there is not much land (officially registered) that is above the ceiling initially proposed in 2001.

The Government of Nepal instituted land reform commissions in 2009 and 2010, both of which produced land reform reports, which were made public in 2011. The recommendations are praised by all stakeholders but there remain doubts about implementation.

5. Land reform: Key variables and indicators

5.1. Input indicators

To assess the inputs in land reform, three main indicators have been identified; legal framework, budget share and allocation, and international conventions and the commitment of the country.

5.1.1 Legal framework

Nepal is in the process of revising its legal framework governing land rights, with adoption of a new framework

² The number of these unregistered tenants is thought to be 0.45 million (CSRC, 2007).

expected within 2012. The legal framework is expected to be governed by the principles set out in the 2007 Interim Constitution, the 2008 Comprehensive Peace Agreement, the 2008 Common Minimum Program of the National Consensus Government, and the Ministry of Land Reform and Management's Three Year Interim Plan (2007/08–2009/10) (GON Interim Constitution 2007a; GON and CPN Peace Agreement 2006; GON Common Program 2008; GON Interim Plan 2007b).

The Interim Constitution of Nepal, which became effective in 2007, grants every citizen the right to acquire, own, sell and otherwise dispose of property. The Interim Constitution calls for the elimination of feudalism and prohibits forced labor and the exploitation of people on the basis of custom, tradition, or usage (GON Interim Constitution 2007a).

The current legal framework governing land in Nepal includes the following formal laws:

1. The Land (Measurement and Inspection) Act (1963, as amended) sets out the classification of land and requirements for land survey and registration;
2. The Agriculture (New Arrangements) Act (1963) restates earlier legislation abolishing intermediaries and landlord systems of tenure;
3. The Land Administration Act (1963) establishes district-level land administration offices and sets procedures for maintaining land registration records; and
4. The Land Act (1964, amended many times):
 - a) abolishes the system of intermediaries collecting taxes from tenants by transferring control over taxation to District Land Revenue Offices and Village Development Committees (VDCs);
 - b) transfers land managed by the state into private land (raikar);
 - c) imposes ceilings on agricultural land (ceilings were set at 16.4 hectares in the Terai, 4.07

- hectares in the foothills and mountains, and 2.4 hectares in Kathmandu Valley);
- d) limits rent to a maximum of 50% of gross annual production of main crop;
 - e) requires tenant certification, i.e., registration;
 - f) institutes a compulsory savings program; and
 - g) establishes a Commission on Land Use Regulation to address consolidation and fragmentation of land and incentivize farm cooperatives. (GON Interim Plan 2007b; ADB 2006; Alden Wiley et al. 2008,
5. Land revenue act 1978)

According to the article 7.1. Ka GON will provide a unique ID to landowners who hold lands in different parts of the country.

The new legal framework governing land tenure and administration in Nepal is expected to be guided by principles set forth in the Comprehensive Peace Agreement, which was signed by Nepal's Prime Minister and the Chairman of the Communist Party of Nepal in 2006. The Peace Agreement calls for the:

- (1) Nationalization of forests, conservation areas, and other lands that Nepal's monarchies had controlled;
- (2) End of feudal land ownership, establishment of a Land Reform Commission and adoption of a program of "scientific land reform;"
- (3) Adoption of policies to provide land to landless and disadvantaged groups;
- (4) Prevention of the ability to obtain land through corruption within government offices;
- (5) Support for IDPs;
- (6) Prohibition against illegal seizure of private property; and

- (7) Support for principles of nondiscrimination (GON Peace Agreement 2006).

So far, there are 57 acts and 23 regulations which have been constituted for the purposes of land reform.

5.1.2 Budget share and allocation

Land reform is a huge task which has been unresolved for more than 5 decades. There is insignificant national budget share and allocation for the land reform activities with only 0.01% of the national budget is allocated to MLRM and more than 70% of the budget going towards human resources and administrative costs (Ministry of Finance, 2011).

5.1.3 International convention/ commitment

International legal frameworks recognise land as an important crosscutting issue of human rights. Rights have been established within the international legal framework that relate to land access for particular groups (e.g. indigenous people and, to a more limited extent, women). Similarly, numerous rights are affected by access to land (e.g. housing, food, water, work), and general principles in international law provide protections that relate to access to land.

Land rights have been considered in several international principles and interpretive documents, but there is no right to land explicit within the international legal framework. However, while not wholly defined, land rights are invoked in a number of key areas, suggesting that further consideration by the international community is necessary (Wickri and Kalhan, 2010).

Indigenous rights and women's rights

Explicit rights to land have been developed in two key areas of international human rights law, the rights of indigenous people and the rights of women. Land access and use is

frequently tied to the spiritual, cultural and social identities of peoples. As such, land rights have been more developed in the sphere of indigenous rights.

Convention 169 on Indigenous and Tribal Peoples, which was adopted by the International Labour Organization in 1989, is legally binding on States Parties and the only binding international instrument related to the rights of indigenous peoples. According to ILO 169, all national policy instruments must be adjusted to include the indigenous people's rights. However, there is no any progress in Nepal towards this end.

Land rights are also invoked in the international legal framework on women's rights. The Convention on the Elimination of all forms of Discrimination Against Women (CEDAW) requires that State Parties "shall ensure women the right to . . . equal treatment in land and agrarian reform as well as in land resettlement schemes . . ." CEDAW also provides that both spouses must enjoy "[t]he same rights . . . in respect of the ownership, acquisition, management, administration, enjoyment and disposition of property" in marriage. Equal rights to inherit, purchase, and dispose of property also promote women's rights more generally.

Rights to housing

Similarly, The right to housing within the international bill of human rights—namely, the Universal Declaration of Human Rights (UDHR), and the two binding Covenants, the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR) where a number of articles are directly tied to rights to land. The UDHR and ICESCR protect the right to an adequate standard of living; the UDHR and ICCPR protect privacy and property rights. Numerous economic, social and cultural rights in the UDHR and ICESCR are intimately connected to access to land, including the rights to housing, food, health, and work. The right to adequate housing is particularly relevant and land is a critical element of fulfilling the right. Indeed,

“[l]and is often a necessary and sufficient condition on which the right to adequate housing is absolutely contingent for many individuals and even entire communities.” Housing is a fundamental human right which has been included in numerous international Documents.

The right to food and the right to water

Other rights protected under international law are threatened by the condition of landlessness. The international framework protects the right to food and water, a right that is not explicitly mentioned in the ICESCR but which has been derived from it. In rural areas in particular, access to land is necessary to realize the right to food and to be free from hunger as protected under Article 11 of the ICESCR. States party to the ICESCR are directed to “improve methods of production, conservation and distribution of food . . . by developing or reforming agrarian systems in such a way as to achieve the most efficient development and utilization of natural resources.” In considering that the “roots of the problem of hunger and malnutrition are not lack of food but lack of access to available food”, General Comment 12 on the right to adequate food states availability “refers to the possibilities either for feeding oneself directly from productive land or other natural resources,” or from functioning market systems making food available.

The FAO Voluntary Guidelines on food security

Adopted in 2004, these also direct states to promote equal access to land ownership, and further state that “[a]s appropriate, States should consider establishing legal and other policy mechanisms, consistent with their international human rights obligations and in accordance with the rule of law, that advance land reform to enhance access for the poor and women.”

5.1.4 Summary table of the input

Component	key variables	Indicators	Verifiers	Source of data
Input	Policy (framework, constitution, law, bylaws, act, regulations, cabinet decisions and order	Land reform provisions in constitutions and other policy documents		National policy documents
	Budget share and allocation	% of revenue generation, share of internal foreign aid in budget , allocation of budget to land reform and agriculture	revenue, foreign aid, national budget	Budget plan including income/expenditure report of finance ministry
	International convention/commitment	Ratification and commitment to adjust national policies	according to ILO 169 all national policy instruments must be adjusted	ESCR. Net, UN, SIDA web site

5.2 Process indicators

The institutional capacity, stakeholder's involvement and policy process are the key process indicators. Process indicators are most important for CSO monitoring where critical feedback and support is needed for improvement

5.2.1 Institutional capacity

The Ministry of Land Reform and Management (MoLRM) is the state ministry responsible for land reform in Nepal. Minister, state minister and secretary are the political and administrative leaders of the ministry. There are three divisions; general administration, planning, monitoring and coordination, land administration and three different departments; department of land reform, land management training and department of land information and archive

and a special program for freed bonded labour. There are 83 district land survey offices, 21 land reform offices, and 83 land revenue offices.

However there are limited human resources and technical capacities to handle the land reform activities.

5.2.2 Stakeholder involvements

The National Land Rights Forum (NLRF) - an umbrella organization of landless peasants in Nepal is leading the land rights movement across the country. It is facilitated by Community Self Reliance Centre (CSRC) with the financial support from coalition partners ActionAid Nepal, Care Nepal, Oxfam GB, Lutheran World Federation, Danida HUGOU and CCO/CEDA.

There are various local CSOs facilitating the LRF district chapters and supporting capacity building activities. These are CSDR Banke, SWAN Dang, Jana Chetana Dalit Sangam, Saptari, Abhiyan Nepal Sunsari, CDECF, Sindhupalchock and RDS Sindhupalchock.

Additionally there are several donor field projects and international organizations involved in land issues such as IFAD, FAO, DFID, USAID, ADB, and WB.

5.2.3 Policy formulation process

The Three-Year Interim Plan (2007/08 – 2009/10) of the Ministry of Land Reforms and Management Policies includes a list of activities, focusing on: (1) land allocations for the poorest; (2) reorganization of land administration, development of a land information system and digitization of the cadastre and land records; (3) half-price land registration for women and marginalized groups members; (4) development of a legal framework that includes leasing and cooperative farming; (5) review of the role and scope of the Guthi (Trust) Corporation and arrangements made for administering Guthi land through revenue offices; (6) capacity-building for land officials; and (7) removal of the

backlog of pending land disputes cases by reviewing legislation, regulations, procedures and establishing a tribunal to clear cases, including applications for land registration, tenancy, and ceilings (Alden Wiley et al. 2008).

Indeed, land reform through the acquisition of private land has been very controversial and politically unfeasible. The recent attempt to formulate land use policy and its recommendations recognizes the importance of land reform. It proposes institutional set ups to accelerate land use plans at different levels rather than proposing concrete plans of action for land use. Additionally this would require heavy investment, which the Government is ill able to afford. Consequently reliance on reform through soft approaches such as community forestry, leasehold forestry, tenancy reform, and market-based land reform are seen as the best option. These options are not viable solutions. (See draft report of land use policy 2011)

The policy formulation process is confined to the ministry and the consultation mechanism developed is inadequate to ensure the participation of all concerned stakeholders.

5.2.4 Summary of process indicators

Component	key variables	Indicators	Verifiers	Source of data
Processes	Institutional capacity	Number of staffs, offices	organisational structure technical staffs/human resource	Raj patra (Gazette), Land survey data
	Stakeholder involvements	number of collaborators, with whom, number of CBOs and NGOs,	Partnerships and collaborations	land rights networks
	Policy formulation	Number of policy documents, number of consultative meetings and interactions	Policy documents,	

5.3 Output indicators

There are various output indicators to monitor the effective implementation of the land reform activities. These include changes in land areas and uses, distribution, and claims over land entitlements.

5.3.1 Land area and use

Nepal has a population of 28.5 million people in a total land area of 147,181 square kilometers within three distinct geographical areas. 30% of Nepal's total land area is classified as agricultural land. Not all of this land is used for crop cultivation and it is estimated that only about 20% is under cultivation. Approximately 11.5% of the total land area is occupied by rangelands which are mostly located in the northern belt. About 40% of the land is under forest. However, the land use pattern is rapidly changing with the increasing pressure of human activity being the major factor in its manipulation (World Bank 2009; FAO 1999.)

83% of Nepalis live in rural areas and rely on agricultural land, forests, and fisheries for their livelihoods. Half of the population and most of the country's agricultural production is concentrated in the Terai. Cereal crops dominate the overall production, with other production including vegetables, pulses, oil seeds, sugar cane, and fruits (World Bank 2009; Sharma 2001; Silpakar 2008; ADB 2004).

The lands in ecological regions are in following percentage.

Region	Area in %	Remarks
Terai	20	Southern, plain bordering with India
Foot hill/midhill	56	Central part
High Mountain	24	Northern bordering to China

Source: *Land Reform and Management Department Annual Report 2007*

Although all other types of land are state property, agricultural lands are privately owned. Registered state owned and public lands are as follows;

Ownership type	Total area	
	Bigha	Ropani
Public land	2359245	33178141
Registered government land	15326	110514
Lease	220	2850

Source: Land Reform and management department Annual Report 2007

5.3.2 Land distribution

Land is unevenly distributed, and the size and quality of the landholdings has always been highly correlated with economic status. Throughout the country's history, Nepal's few elite have held the majority of land and profited from land-based resources. Seventy-six percent of the country's poor are small and marginal landholders (Karkee 2008; Savada 1991; GoN 2004). There is rapidly growing urban/peri-urban areas, internal migration and increasing trends to keep agricultural land fallow. On the one hand there are 300000 haliya, haruwa and charuwa, who are landless (CSRC, 2009) and on the other, there is substantial fallow agricultural land.

Beginning in the 1950s, Nepal has made several efforts at land reforms, including the imposition of land ceilings and tenancy reforms designed to equalize landholdings. Neither approach was very effective. The ceilings were set relatively high, the legislation contained significant loopholes, and implementation of the ceiling provisions was lackluster in most areas. Land officials designated less than 1% of cultivated land as 'above-ceiling' and redistributed only half of the 'above-ceiling' land to landless and land-poor households; the remainder continued to be held by the landowners (Regmi, 1976)

The state's effort to deliver land to the tiller by registering tenants and granting them half their tenanted land has been largely unsuccessful. About 541,000 tenants registered, but various sample surveys suggest that the number of tenants is at least three times as high. Some researchers suggest that the main effect of the attempted tenancy reform was to push many tenancy relationships underground. A constitutional challenge delayed awards of land to tenants, but the GoN asserts that about 180,000 hectares will be registered in the names of registered tenants (Alden Wiley et al. 2008).

The ownership of the land is very uneven among the various categories of the land owner. In the following table Land ownership class group and size has been given.

Raking	Total household	Ownership in ha.	Recommended no. for land distribution
Landless	287100	0-0.1	There is need to distribute 421770 ha. Land to 1407100 landless people for residential and farming purpose. Estimated land available for distribution is 492851 ha.
Marginalized	670000	0.1-0.3	
Small	648000	0.3-0.5	
Medium	1131560	0.5-3	
Rich	93700	3-10	
Richest	3800	More than 10	

Source: CBS 2006

The last national survey in 2001/02 reported continuation of a significant imbalance in land distribution:

% of population	% of land holding	Size of the land holding
5% of the population	27	3 or more ha.
51% of the population	59	0.5-3 ha
44% of the population	14	0.5 ha or less
Average land holding		0.8ha

Source: GON 2004; Alden Wiley et al. 2008.

There are some land areas available for distribution. These are identified as degraded forest land, public land, Guthi, River basin and land to be received from ceiling.

Source	Available land area (492851 ha).
Degraded forest land	31184
Public (ailani, parti)	329098
Guthi	3069
River basin	4000
Ceiling	125500

Source: Land reform High Commission Report, 2010 (unpublished).

Eighty-four percent of farms in Nepal are owner-operated. About 10% of land is reported to be under some form of registered tenancy. The actual incidence of tenancy is likely to be significantly higher due to the presence of informal unregistered tenants. Sharecropping is the most common form of tenancy. Landless farmers work about 2% of total farm holdings; Most leased land is worked by households that farm their own land, and rent additional land when they have the capacity (GON 2004; Karkee 2008; Chapagain 2001).

Status of Agriculture land distribution

Particular	Year (land in ha.)					
	1961	1971	1981	1991	2001	2010
Total land	1685.4	1654.0	2463.7	2597.4	2653.8	
Total agriculture land	1625.4	1592.3	2359.2	2392.9	2497.7	
Total Arable land	1591.9	1567.0	2287.5	2323.4	2350.0	

Source: CBS 2006

For 2010 data, CSRC is still awaiting publication of the census report 2011.

5.3.3 Change in Tenure types

Most rural landholdings are owned; about 72% of urban residents claim ownership of their plots, although their rights may be informal and not recognized by formal law. Most people obtain land through inheritance and the land-sale or rental markets. Roughly 20% of urban landowners obtained their plots through inheritance, and 23% rent their plots (GON 2004; Pokharel 2006; Parajuli 2007).

Nepal has a manual land registration system with records created, maintained, and transferred in paper form. The records are vulnerable to loss, destruction, and distortion and misinformation. Maps are incomplete and outdated. An estimated 48% of all landholdings are registered in Nepal, but the records often go back decades and are not considered reliable. Efforts to develop electronic information systems are underway (ADB 2007; Alden Wiley et al. 2008).

Foreigners cannot own or rent land in Nepal. Foreigners may acquire land in the name of the business entity registered in Nepal; however, they may not acquire land as personal property. It is widely believed that foreigners own and rent land on the informal market (Chapagain 2001; USDOS 2010). There are mainly three types of Lands in Nepal: (1) private land; (2) state land; or (3) Guthi land. The guthi land is in very small amount (only 0.03% of the total. An estimated 27% of land in Nepal is privately held in ownership or under leasehold and rest is private land (73%).

Land type	%	Remarks
Private land	27	There are both privately owned and leasehold lands in this category. An estimated 10% of rural households are registered as tenants
State land	73%	public land government land
Guthi	0.03%	Land held by religious bodies for religious or philanthropic purposes. Trust Land (16 lakhs- 1.6 million)/Guthi

Source: Alden Wiley et al. 2008

The Land rights are acquired by inheritance, purchase, government land allocation, or tenancy. There are about 22.5% households are landless and among them more than 50% Terai dalits are landless. However, 7% of the landowners rent out some of their land (NLSS, 2004)/

The %age of landless among the various caste/ethnicity is as follow;

Hill Dalit	Terai ethnic	Hill ethnic	Chhetri/ Thakuri	Terai middle cast	Hill Brahmin
40	22	20.9	20.6	11.2	12

Source: High commission report, 2010

5.3.4 Women's rights on Land resources

Under the formal law, women in Nepal can access land through inheritance, land purchase, leaseholds, and government land allocations. The 2007 Interim Constitution provides that all Nepali citizens are equal under the law and forbids gender-based discrimination. The Interim Constitution states that daughters and sons have equal rights to inherit ancestral property, and the constitutional mandate of equality takes precedence over inconsistent traditions, custom, and practices (GON Interim Constitution 2007a).

Roughly 8% of all registered landholdings are in the name of women, and women hold about 5% of the land in Nepal. Women's land ownership is highest in urban areas in the eastern part of the country. In 30% of the households in Kathmandu and Kaski, women own some land (Alden Wiley et al. 2008).

A GON 2006/07 directive waived land registration fees for land registered in the name of women, the disabled, and members of disadvantaged groups. Land registration in women's names more than doubled following the adoption of the directive. In 2008, 33% percent of land holdings registered in 11 districts were in women's names (Alden Wiley et al. 2008).

Ownership of land in %

Workforce in agriculture	Legal ownership
Male	89.17%
Female	10.83

In the program and budget of 2010/11, GON made provision to waive registration fees while transferring entitlement to women counterpart. It will increase the women's ownership in land.

5.3.5 Land dispute and conflicts (Tenant Eviction and legal treatment)

There are numbers of cases of tenant eviction across the country. However, there are no records of such evictions and a mechanism of providing legal treatment to the victims. From this year, CSRC is also collecting the data on this.

Similarly, Nepal has a high volume of land disputes which are the largest category of cases brought in Nepal's court system. The high number of land cases is attributed to the lack of reliable land records, high amounts of migration during the conflict period, and pressure on land and access to natural resources. In addition, a substantial number of land disputes relate to disagreements within families over land partition and the order of succession. In the period 1999–2003, 40,000 cases brought in formal courts (31% of those filed) were land disputes. The courts also have high numbers of separately classified landlord-tenant disputes and family law cases, which could involve property disputes. Nepal's Three-Year Interim Plan noted that there was a backlog of 103,000 land cases awaiting resolution (ADB 2007; Alden Wiley et al. 2008).

Land cases usually take at least one year to resolve in the formal court system and often several years. Adjudication of rights within the formal court system, which includes district courts, appellate courts, and a Supreme Court, requires a

substantial investment of time, knowledge of the system, and financial resources. The poor and marginalized tend to pursue claims in other more accessible forums, including District Revenue Department offices and, in isolated cases, “People’s Courts” that Maoist rebels established to handle claims. The Local Self Governance Act, 1999, gave the VDCs the power to handle 13 different types of disputes, including some land-related matters such as boundary issues and encroachment. The extent to which VDC courts are operating is unknown (Alden Wiley et al. 2008).

Some categories of land disputes identified: a) Improper demarcation of parcel boundary on the ground. b) Errors in trace copy of original cadastral maps and wear and tear of documents. c) Errors in file maps prepared in larger scale from original maps d) Displacement in the location of features, natural as well as cultural, with respect to existing maps. e) Implications due to impractical legal provisions. f) Inaccurate representation of reality at the margins of island maps. g) Problems with ownership in the land distributed by special commissions. h) Wrong survey of reality. i) Wrong marking of parcel subdivision on cadastral map. j) Wrong interpretation of the agreement mentioned on the deed document prepared at the time of transaction k) Encroachment of public lands. l) Transfer of ownership over public land by local authority beyond the legal provision. m) Mismatching of existing maps with new maps prepared by cadastral resurveying. n) Lack of proper coordination between the District Land Revenue Office and Survey Party/Office. o) Mistakes in documentations during cadastral surveying.

Cases of land dispute:

Year	Registered cases	Solved cases	Cases remained
2008	49423	14583	34840
2009	16247	5016	11231
2010	34840	14583	20297

Source: department of land reform management, 2011

The Ministry of Home Affairs is the apex body in relation to disaster management in Nepal which formulates and implements national policies, plans and programs in this context. The Ministry is responsible to provide rescue and relief materials to the disaster victims. Central Disaster Relief Committee (CDRC) under the chairmanship of the Home Minister provides policy guidelines and directives to the operating agencies for rescue and relief works.

After the devastating floods and landslides disaster of 1993 A.D. July in which 1537 people lost their lives and 85,451 families were affected Government of Nepal has been quite serious in the management of natural calamities in the country. Every year there are loss of lives and properties.

The Ministry carries out various types of public awareness raising training programmes on disaster management. The department sends informative messages through mass media so as to make the people aware of the natural disasters. The department has a central database system and it publishes annual reports, maps, booklets, pamphlets and posters for information dissemination.

5.3.6 Land fragmentation, marketing and grabbing

Land fragmentation is one of the important aspects of land reform. Because of land inheritance and private land use for housing and more recently land plotting in urban and semi urban areas, there is massive land fragmentation. The trends and scales of land fragmentation inherited private land is given in the table below.

HHs/area	Years				
	1961	1971	1981	1991	2001
Farmer family	1540	1721.2	2194	2736	3364.1
Area (ha.)	1685.4	1654.0	2463,7	2597.4	2693.9

Source: CBS 2006

Recently, Nepal's land-sale market has become active in both rural and urban areas, but the bulk of sales transactions

are in urban land. Land values have been rising, particularly since the end of the conflict and in the Kathmandu Valley. In the Dang District in the Terai, 13% of holdings were transferred in 2007–2008, and the number of landowners increased by 9% (Acharya 2009; Alden Wiley et al. 2008; Mathema 1999).

In urban areas, the rising population has outpaced development of residential areas. Land developers are often selling land without verification of boundaries and based on inaccurate documents, including maps. The unregulated practices are leading to sprawling, unplanned urban development, land disputes, and insecure tenure (Acharya 2009).

There is no national database on the land grabbing and real estate activities that affects the access to public land, agricultural production and productivity. Some anecdotal cases suggest that there is massive scale of land grabbing. For example, over the past two years, 13050 ha land was sold by plotting for housing in the Morang district and in Jhapa a further 1500 ha. This is not only the case in the Terai, but also in the hill districts such as Arghakhachi where 1200 ha of agricultural land was under plotting for sale. An article in the Kantipur newspaper (April, 14, 2010), indicated that 80% of the remittance money coming into Nepal was being used to purchase land for the purposes of housing development. It also suggested that financial institutions had invested around 11 billion Nepali rupees in housing related land transactions.

The leasing of land for agricultural purposes is another phenomenon. A national estimate suggests that 30% of the rural populations are renting agricultural land. Almost all rural land is rented under sharecropping agreements rather than for monetary payments (GON 2004; Alden Wiley et al. 2008).

5.3.7 Displacements

Floods, landslides and other natural calamities displace large numbers of farming population from their farmlands. Most of these are poor indigenous people and Dalits who are forced to reside in marginal lands.

More than 70,000 people were displaced during the 10-year conflict (1996–2006) between the Government of Nepal (GON) and the Unified Communist Party of Nepal (Maoists). Internally displaced children and women are particularly vulnerable to trafficking, sexual exploitation, and child labor (IDMC 2010). The thousands of IDPs unwilling or unable to return to their homes joined the migration of rural residents in search of employment in urban areas, causing rapid urbanization. Informal settlements have sprung up on government and public land in urban and peri-urban areas. The settlements are unplanned, lack public services, and are usually constructed of substandard housing that is vulnerable to earthquakes and floods (Pokharel 2006; Paudyal 2006).

In the 1990s, approximately 100,000 Bhutanese of Nepali origin either fled or were forcibly expelled from Bhutan. For close to twenty years, the refugees have lived in seven camps located in the Jhapa and Morang districts of southeastern Nepal. Refugees are restricted to the camps and are entirely dependent on the support of the international community. The long-term presence of the refugee camps has caused tensions with host communities because natural resources are overexploited (Laenkholtm 2007; UNHCR 2009).

5.3.8 summary of output indicators

Component	key variables	Indicators	Verifiers	Source of data
Outputs	Land area and use	Number, area and change in landless people, recipients of certificates, land ownership regime	Disintegrated by caste, gender decrease/increase in number of	CBS, Land commission report, landless commission report,

	(sharecropper, wage labour, companies)	landless, number of registered tenant, % of land tenancy, absentee	MOAC
Land distribution	Number of tenant and landless HHs	Land certificates	GON report on land distribution
Women rights on land resources	Number of women's land certificate (joint and individual ownership)	Land certificate, ownership transfer record	GON report on land transfer and distribution to women
Land disputes and conflicts (tenant eviction, displaced/homeless and detained and killed)	land tenant eviction, displaced/homeless and detained and killed no. of displaced migration,	cases of conflict in common property resource use, number of cases registered in police and number of casualties and cases in Police station, court etc	paper cuttings (CSRC), media coverage
Land fragmentation marketing and grabbing	Changes in number of parcel per year, number of annual transactions, transfer to private companies and institutions	Land certificate records	GON record, paper cuttings (CSRC), media coverage
Displacement	No. of HHs displaced	Cases in court and police	paper cuttings (CSRC), media coverage

5.4 Outcome indicators

Four major outcome indicators are taken into account; change in land holding, land regime, rural urban mobility, food security and changes in cropping pattern. However, there is no national data to identify changing trends.

5.4.1 Change in land holding

In the table below, the changes in land holding are presented. There is increase in the percentage of land holding. However the number landless households are increasing. There was a significant change in the land holding during 80s because of the internal migration and deforestation in Terai.

Classification	1961/62	1971/72	1981/82	1991/92	2001/2002
Total holdings (000)	1540	1721.2	2194	2736.1	3364.1
Holding with land (000)	1518	1707.3	2185.7	2703.9	3337.4
% of holding with land	98.6	99.2	99.6	98.8	99.2
Holding with no land (000)	22	13.9	8.2	32.1	26.7
% of holding with no land	1.4	0.8	0.4	1.2	0.8
Holding with land					
Area of holdings (000)	1685.4	1654	2463.7	2597.4	2653.9
% increase/decrease		-1.9	48.9	5.4	2.2
Average holding size (ha.)	1.11	0.97	1.13	0.96	0.8
% increase/decrease		-12.6	16.5	-15	-17.2
Source: Alden Wiley et al. 2008					

5.4.2 Change in land regime

Since, there is no available of data on this, it was not possible to fill-up the data now however CSRC is trying on this and fill-up the data in coming year.

5.4.3 Rural Urban, employment mobility

There is huge rural urban mobility across the country. Many rural families are moving out from the villages to towns in search of employment opportunities, better education and health facilities. Similarly there is an increased number of out migrants in search of employment opportunities.

Comparison of out migration trend and remittance from other countries (Annual)

	In 2007	In 2010
Number of migration for employment to foreign countries	2,04,533	2,94,094
Remittance (in 000 Rupees)	10014000	23173000

Source: Nepal National Weekly, 24 April 2011 (Vol. 11, No. 36)

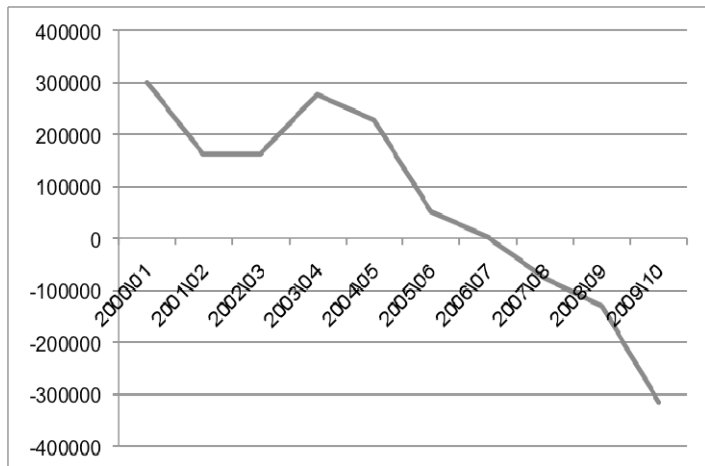
5.4.4 Food Security

The recent increase (2005-2008) in price of food internationally and the diversion of resources to produce other-than-food has increased the concern on food security. The present food crisis is stalking small-scale farms and rural areas of the world, where 70 percent of the world's hungry live and work. The situation in rural areas in developing countries is dire, coming in the wake of the surge in food and fuel prices in 2007–2008. This is a second crisis, which is hitting the poor. Money sent home from relatives working in the city or abroad has declined as unemployment bites. In small agricultural villages, the poor have already exhausted their savings to buy food. Even though prices have come down compared to 2008, the prices of cereal are still more than 63 % of what it was in 2005.

Some of the reasons for higher food prices include: low agricultural productivity in the world; high population growth rate in many of the most food insecure countries; problems with water availability and land tenure uncertainty; more frequent floods and drought and low investment in agriculture, (which remained about 4 % of the total

investment in most developing countries). Another phenomenon associated with rising food prices and the decline in food production is the global hunt for land in developing countries. This phenomenon, commonly referred to as 'land grabbing', has seen countries such as the Gulf States, Japan and China buying land for farming in developing countries. The estimates of this land grab differ a lot, but FAO estimated that this could be about 74 million ha. In most cases of 'land grab', the productivity has increased almost by four fold, but the local population is deprived of their livelihood opportunities. In future, this is going to be a major issue in food security. This calls for a question on 'whose food security?' This doesn't appear to be happening in Nepal at the moment.

Food security situation in Nepal



5.4.5 Arrangement for cropping

This is a very important indicator to monitor the outcomes of the land reform at local level. However there is limited national data available on the changes in the land ownership. Various case studies and local evidences suggest that there is decreasing trend of share cropping due to urban and foreign migration, increased leasehold for commercial farming.

Share cropping	% of
Leasehold	Accumulated data is not available
Family farm	Accumulated data is not available
Company farm	Accumulated data is not available

Although data is not available, the current agricultural census of 2011 will hopefully produce relevant data that will be available next year.

5.4.6 Summary of outcome indicators

Component	key variables	Indicators	Verifiers	Source of data
Outcomes	Change in land holding,	no. and % of land owners (categorized)		Department of land reform & management
	change in land resume	area of fallow land		
	Rural Urban, employment mobility	no. of people migration		

5.5 Impact Indicators

Poverty reduction, livelihoods standards and agriculture production and productivity are the major impact indicators of land reform. However, there has not been much improvement in this component.

5.5.1 Poverty reduction & livelihood standard

Even though the Millennium Development Goal (MDG) on poverty is to halve the proportion of those who are hungry by 2015, the number of food insecure population is increasing. With an estimated increase of 105 million hungry people in 2009, there are now 1.02 billion malnourished people in the world, meaning that almost one sixth of all

humanity is suffering from hunger (<http://www.fao.org/getinvolved/worldfoodday/en/>). The target of reducing the number of undernourished people by half to no more than 420 million by 2015 will not be reached if the trends that prevailed before those crises continue. But at the world level, there is food surplus. For example, in 2008/09, there was 510.4 million metric ton cereal stock, which increased to 528.1 million metric ton. Of the total cereal produced in the world, slightly less than half is consumed and the rest is used for feed and other purposes³. Therefore, talking at the world level, there is food surplus. But this surplus is taking place in developed countries and less developed countries like are increasingly becoming depend on developed countries for food.

Even though poverty and food insecurity are taken synonymously most of the time, they are different concepts. Poverty in general is measured through income, which more or less corresponds to 'access to food' pillar of food security. Here an attempt is made to analyze poverty and food insecurity. Poverty estimates in Nepal have been made based on 2003/04 NLSS data in which per capita expenditure is estimate at US\$266 (current value) per year.

There is a big disparity in expenditures between urban and rural residents, with US\$158 in rural and US\$553 in urban areas. Poverty is significantly higher in rural areas compared to the cities. Annual per capital expenditure in the rural Far-West is extremely low (only US\$133). The study of Small Area Estimation (SAE) carried out by CBS, WFP and the World Bank indicates that 37% of the rural population is living below the poverty line of 7,696 rupees (or US\$ 101) per year, compared to 13% in urban areas, and 31.9 % overall. Based on the SAE, the proportion of the population below the poverty line is much higher in the mountain ecological zone (42.5%), compared with the other ecological

³ For example, in 2009/2010, 2253.1 million mt cereal was produced, of which 1040 million mt was consumed as food, 768 million mt was used as animal feed and 415.4 million mt was used for other purpose (FAO food situation estimate –www.fao.org)

zones (36.6% in the hills and 29.5% in the terai.) Amongst the five development regions, the highest levels of poverty are in the Far West (45.6%) and Mid-West (46.5%). People living in the Mountains spend more on food (65%) than those living in the Hills (55.4%) and Terai (51.7%).

The most recent estimate (2010) of the poverty rate in Nepal is about 25%, but most of it was considered to be reduced because of an increased access to remittances. This has been stated in the approach paper for the 12th Plan by National Planning Commission (NPC).

Food insecurity in the surplus areas of the Terai and Lower Hills is foremost an issue of food access. Although the incidence of poverty in these areas is generally lower than in the Hills and Mountains of the Far and Mid-West, the concentration of poverty (as measured by the number of poor people per square kilometer) is very high (see map that follows).

Table 1: Nepal – Per Capita Consumption Expenditure and Poverty Incidence

	Annual Per Capita Expenditure		Share of Food Expenditure	Poverty Incidence
	In current NRs.	In current US\$		
Nepal	20273	266	36.9	33.5
Rural	11987	158	54.8	36.9
Urban	42052	553	23.5	13.2
Rural Mountains	11263	148	64.8	42.5
Rural Hills	12927	170	55.4	36.6
Rural Terai	11413	150	51.7	29.5
Rural East	11173	147	58.3	31.6
Rural Central	11516	151	53.7	26.5
Rural West	14854	195	53.7	34.5
Rural Mid-West	11899	156	53.8	46.4
Rural Far-West	10143	133	54.5	45.6

Source: 1 and 2 calculated by this Mission based on MLSS 2003/04 date; 3 based on SAE by CBS (WFP and WB 2006).

Due to high poverty levels, people have limited purchasing power to buy food in the markets. Vulnerable communities such as Dalits, Adivasi, Janajatis and Kamayas often struggle to access sufficient food. The result is that very high wasting levels above emergency levels characterize the Terai. Unfortunately, no disaggregated data is currently available that provides insight in the food security situation of marginalized communities in the Terai. Other important factors contributing to food insecurity and malnutrition include limited nutritional knowledge, inappropriate hygiene and caring practices, and the gender division within the household, which places women in a disadvantaged position.

Table 2: Shares of Household Income

	Farm Income	Non-Farm Income	Remittances	Other
Development Region				
East	53	26	11	11
Central	47	32	9	13
West	40	24	17	19
Mid West	52	30	8	11
Far West	54	21	11	14
Ecological Zone				
Mountains	59	19	9	13
Hills	45	28	11	17
Terai	49	28	12	11
Urban/Rural				
Urban	13	54	10	23
Rural	55	23	11	11
Consumption Quintile				
Poorest	62	23	8	7
Second	58	25	9	11
Third	56	24	10	10
Fourth	47	25	14	14
Richest	25	38	13	24
Nepal	48	28	11	14

Source: NLS data 2003/04.

Farm income is still a dominant source for the rural population, especially households living in the mountains and households in lower income groups. According to 2003/04 NLSS data, 48% of household income is generated from farm activities, 28% percent from non-farm activities, 11% from remittance, 10% from housing consumption and 4% from other sources (Table 2). However, for households living in the mountains, 59% of household income is derived from agriculture, 19% percent from non-farming activities and 9% from remittances. Similarly, the poorest and second poorest groups, based on consumption quintiles, are also highly dependent on farm income (62% and 58% respectively), whilst remittances are lower (8% and 9%) compared to the national average.

The determinants of poverty and food insecurity at the household level in Nepal vary, and they are also complex. These determinants also do not act alone. The combination of these determinants may vary from one household to another and from one region to another. A study on determinants of food security in rural Nepal revealed the following determinants (Adhikari and Bohle 1999).

- Access to resources: Access to land and water was the main factor affecting the risk exposure of the households. Access to irrigated lowland suitable for paddy cultivation was found most important. As land holding of households is declining because of increase in population pressure, and a large proportion of households already have small landholdings, other factors related to off-farm activities determine their ability to secure food.
- Ecological setting: Ecological setting determines the type of resources available in a certain locality. Harsh environmental conditions put people in a vulnerable condition.
- Accessibility: Settlements in accessible areas have relatively better food security. Inaccessible areas faced higher prices on food. They were also politically weaker

to put pressure on government and media for relief measures when they were faced with landslides and floods.

- **Marketing opportunities:** In areas where marketing opportunities exist to sell or exchange things that villagers produce, food security was comparatively better.
- **Availability of common property resources:** Common property resources like forest and pasture were helpful for poorer households to derive livelihood. In areas where common property resources existed, people were less vulnerable to various external and internal shocks like flooding, landslide and famine.
- **Family size and composition:** Family size is strongly correlated with consumption of food. Families with proportionately more number of children, and sick and elderly people were found in a vulnerable position, i.e., consuming less food.
- **Ethnicity:** Particularly members of Occupational Caste (Dalits) were found to be in a vulnerable position as they faced discrimination not only in adopting occupations involving food preparations but also in their access to resources.
- **Gender:** Various cultural and political practices were found to make girls and women vulnerable to food insecurity. Lack of mobility for women, access to education and family property, and customs putting women in a lower position was found to make them vulnerable to food insecurity.
- **Social network:** Families with membership in well-to-do households are particularly vulnerable. Social network was important to get relief measures during times of distress, and to get non-farm job opportunities, both within and outside the country.
- **Education:** People with higher educational level were found to be relatively secure in food as they not only know about food and its availability, sanitation, and

have information about the political process to obtain food.

- Political assertiveness: Areas with high level of political assertiveness were found to receive various facilities from the government and become relatively food secure.

The rural poverty rate is almost twice as high as the urban poverty rate, and ranges from 28% in the eastern hill/mountain region to 72% in mid-western and far western hill/mountain regions.

Within the rural population, poverty rates are highest among landless and near-landless people of different caste and ethnic group. There are 58% agriculture wage labour and 50% agriculture dependent small holders.

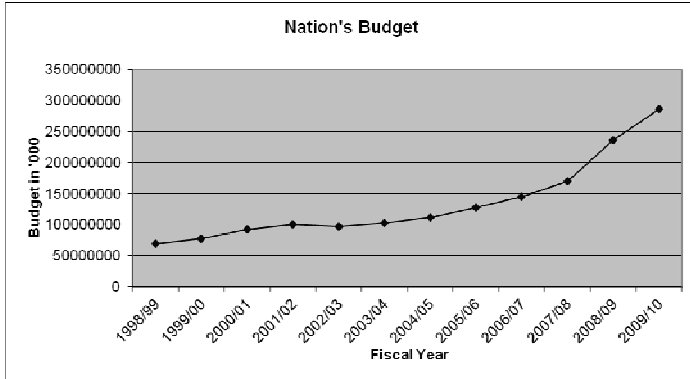
Caste/ethnic groups	Population %	Remarks
Dalit	48	within the Dalit groups
indigenous nationalities	20–61	depending on intra-group differentials
Muslim groups	43	

Source: Chhetry 2002; World Bank 2009a; Karkee 2008; Bennett 2005; Nepal and Bohara 2009).

5.5.2 Agriculture production and productivity

The primary impact of agricultural land reform is increased agricultural production and productivity. This is not the only factor necessary to improve production and productivity, as ownership and access to productive land resources are also preconditions.

The trends of production and productivity of land resources have not been satisfactory in the last two decades. The trends of crop production, total agriculture production and the share of the budget of agriculture sector are indicative examples of the production and productivity.



5.5.3 Summary impact indicators

Component	key variables	Indicators	Verifiers	Source of data
Impacts	Food Security	Annual food deficit and surplus, % of pop consuming less than minimum calories in the reporting period, no of under malnourished, export import, malnutrition,		www.neskap.org, food security and nutrition monitoring data (UN), CBS, UNDP report, MoAC
	Poverty reduction & livelihood standard	change in % of absolute property, per capita income		
	Agriculture production and productivity	production and growth		

6. Monitoring indicator Data gap

There are various data and information gap in the various components of land reform. There is an urgent need to update the data/information so that the policies and practices can be monitored and the gaps in these areas can