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Banking for the Poor and Vulnerable: How Relevant in Nepal?

Raja Ram CHHATKULI, UN-Habitat Country Office in Nepal.

Jagat DEUJA, Executive Director, CSRC, Nepal

Ganesh Prasad BHATTA, Joint Secretary, MoLMCPA, Government of Nepal

Hellen NDUNGU; Programme Management Officer, GLTN/UN-HABITAT

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PRESENTATION OUTLINE

- Introduction
- Methodology
- **Findings**
- **Discussion**
- Conclusion













INTRODUCTION: Land Banking

- An institutional arrangement to ensure productive use of vacant or barren or abandoned land
 - Emerged as urban planning tool in 1960s (Alexander, 2005)
 - Simply saying the technique of taking land from one to redistribute/reallocate to others
 - Can be considered as land tenure reform under a broader land reform perspective
- Governmental or semi-governmental entities to run land banks
- Two distinct approaches for acquiring land can be considered
 - Compulsory Acquisition Approach and the Willing Seller–Willing Buyer Approach (World Bank, 2009).
 - Willing Seller–Willing Buyer Approach is being tested in this study













INTRODUCTION: Land Banking in Nepal

- Agenda of Land Reform Commissions
 - High Level Land Reform Commission for the first time recommended the implementation of land banking in Nepal in 1995
 - Subsequent land reform commissions, in different names, proposed the same but with different approach
 - Acquiring land from the land owners that exceed the ceiling and redistribute through land banks as one approach
- Part of Government's Annual Budget and Program but yet to get implemented
 - First time in the fiscal year 2003/2004 and then 2004/2005
 - Fiscal year 2021/2022 indicated establishment of a Land Banking programme with initial operation in some 300 municipalities.
- Land Use Act, 2019 for the first time included the provision of land bank in the law













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INTRODUCTION: Land Banking in Nepal

- Land Banking in Nepal is largely discussed with mixed reactions or stakeholders have different opinion than the Govt
 - Government is in position that local government implement the land banks to benefit the needy people
 - Land rights activists and civil society organizations are not trusting the government's view rather they have argued that the Land Banking schemes will be utilized by wealthy and affluent to grab land to dispel tillers from, and access to land
- It has been hypothesized that land banking could be useful
 - size of the land being redistributed from ongoing initiatives land reform to landless households is not sufficient for their sustenance and hence land banking approach would be useful for accessing land for farming
 - lenders would be free from the fear of tenancy claims
- In the above context; this study has been done as part of a project implemented by UNHABITAT-GLTN aimed to support national land policy implementation in Nepal















METHODOLOGY

- Pilot Study: aimed to identify the issues on the ground
 - Lamahi Municipality, and three rural municipalities including Rapti, Gadhawa and Rajpur.
 - Idea was to see how it comes out upon implementation as there were different views
- **Data Collection**
 - Primary Data:
 - KII (16), FGD (local farmers, tenants, civil society members, who are known to or impacted by the issue)
 - Feedbacks collected by the project staff
 - Secondary: Literature Review (reports by different commissions, plans and policy documents, relevant literatures)
- **Qualitative Analysis**













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FINDINGS-KII

- 11.1% of total households (41,077HH) are operating informal tenancy arrangement (Share cropping or contracting)
- Annual termination of contracts (in *maghi* festival, mid of January) – perpetuates insecurity of tenure
- Absentee lands are also tilled or used but without proper investment due to fear of eviction any time
- 2/3rd of Informal landowners operate contract farming whereas the rest share cropping
- Contract farming is the major choice of KII along with written contract

- KIIs recommended that Municipality;
 - should fix the rent based on size, productivity, access road and irrigation facilities;
 - should witness the contract, in written form
 - should encourage landless households to contract farm lands by offering grants
 - should discourage landowners from leaving land fallow through penalties
 - should ensure the landless or vulnerable communities that their formal ownership on land is not restricted.













FINDING-FGD

Composition of FGD participants

- A total of 255 participants, about 99% of which were from tharu, an indigeneous community,
- 57.3% of them are either landless (11.2%) or informal settlers (46.1%)
- Participants consisted of 48% females and 52% males.

Findings

- About 55.3% were operating under different share-cropping arrangements and the rest 44.7% under verbal contracts.
- About 20 hectares of vacant or barren land could be available in contract farming or sharecropping basis.
- About 91.8% of the respondents preferred to operate land under contract farming.
- All the participants opined the need for written contracts.
 - Recommendation of written contracts for 5 to 10 years under the facilitation of the municipalities













DISCUSSION

- There are distinct differences in the understanding on the concept and model of land banking in Nepal among the Government, the civil society and the land rights activists and land professionals alike.
- The major concern of the civil society, the land activists, the land professional and the government alike is on how the land banking can be made pro-poor and sensitive to the needs of landless Sukumbasi and the land-meagre farmers dependent on agriculture for their livelihoods.
- It is evident that the policy, concept and the implementation model of any land tool including land banking should be context and location specific and fit-for-purpose.
- In the project area, a specific model of land banking as a process of collection of the unused and unutilized land available for farming and the information on the landless farmers needing this land for farming is recommended















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CONCLUSION

- Widely talked but a distant concept to get implemented
 - Differences of understanding between Government Officials, Professionals and Activists
 - To be customized, adapted and adopted with due consideration to the context and need.
- Case study tested the willing lessor willing lessee model.
 - land banking can address land tenure issues, particularly for the poor and vulnerable communities.
 - challenges persist, including the need for formalizing contracts, ensuring equitable access to land, and balancing the interests of landowners and tenants.
- As the project is still in progress, the final outcomes are yet to come.













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Thank You!











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