



# Rubber Agroforestry for Landscape Restoration and Livelihoods Improvement in Nepal



Government of Nepal  
Ministry of Agriculture and  
Livestock Development



## Background

This project aims to address the critical shortage of rubber production and the degradation of landscapes in Eastern Nepal. Spanning over 10,000 hectares, this initiative seeks to improve livelihoods and restore environmental stability through climate-resilient rubber-based agroforestry. By promoting the cultivation of rubber on marginal lands and enhancing the capacity of smallholders, the project intends to meet the growing domestic demand for rubber, which significantly exceeds current production levels. This effort not only aims to reduce rubber imports but also contributes to Nepal's environmental and economic goals, making it a vital national priority.



**Sector**  
Agroforestry



**Proposed Location**  
Eastern Nepal



**Proposed Land Area**  
10,000 hectare  
(with potential for increase)

## Salient Features

- **Landscape Restoration:** Restores degraded landscapes and assesses environmental services through rubber-based agroforestry.
- **Enhanced Income Opportunities:** Increases access to income for smallholders and forest users via new rubber plantations and nurseries.
- **Diversified Production Zones:** Expands rubber production on marginal lands, riverbanks, open forest patches, barren farmlands, and public lands.
- **Supply Chain Enhancement:** Ensures a steady supply of natural rubber to meet the demands of rubber-based industries and end buyers.

## Project Rationale

- **Current Underutilization:** Rubber plantations cover only 553 hectares in active production (though plantation began 40 years ago)
- **Disproportionate Production vs. Demand:** Annual production is just 450 metric tons against a demand of nearly 12,000 metric tons
- **Import Dependency:** To meet demand, imports increased from USD 98 million to USD 132 million within three years (2018/19 -2021/22) (TEPC, 2022)
- **Expansion Requirement:** An additional 20,000 hectares needed over the next decade to meet growing demand without straining the industry
- **Environmental Restoration:** Project targets the restoration of degraded landscapes through sustainable rubber agroforestry
- **Livelihood Enhancement:** Aims to improve local livelihoods by providing income opportunities in rubber cultivation and related activities
- **Sustainable Practices:** Focus on climate-resilient agroforestry ensures long-term environmental and economic benefits

## Estimated Project Cost



**30**  
Million

## Project Outcomes



### Expanded Rubber Agroforestry Areas:

Increases production and reduces import dependency



### Commercial and Carbon Output Evaluation:

Develops co-financing solutions, enhancing revenue and sustainability



### Capacity Building for Smallholders:

Improves rubber yields and market access



### Diversified Income Streams:

Stabilizes income against rubber market volatility



### Restoration of Degraded Landscapes:

Utilizes marginal and degraded lands sustainably



### Enhanced Livelihoods:

Increases income opportunities for smallholders and forest users



### Climate and Environmental Benefits:

Boosts climate mitigation and enhances food security



### Strengthened Rubber Sector:

Meets local demand and explores export potential



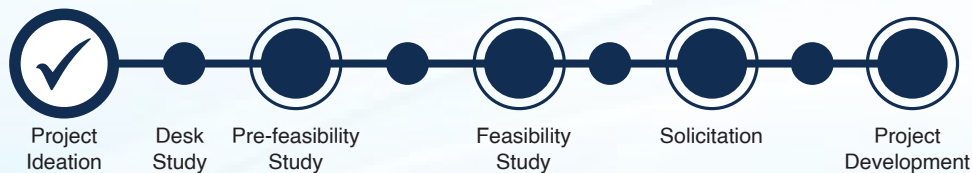
### Contribution to National and Global Goals:

Supports Nepal's commitments to global environmental conventions

## Project Implementation Modality

- **Mixed Financing Modality:**  
Utilizes grants and private investments.
- **Funding for Key Areas:**  
Targets less commercially viable but crucial aspects.
- **Private Investment Focus:**  
Concentrates on carbon, biodiversity credits, and rubber materials.
- **Diverse Co-product Investment:**  
Includes agroforestry products like fruits, nuts, and medicinal plants.
- **Multistakeholder Forum:**  
Manages grants, investments, and policy refinement.

## Project Implementation Timeline



## Additional Information

The Government of Nepal through MoALD has allocated approximately USD 150,000 for development of the rubber sector in fiscal year 2023/24. The fund will be mobilized through local governments and the Prime Minister Agriculture Modernization Project of MoALD.

MoALD, in collaboration with the Ministry of Forest and Environment (MoFE), the Center for International Forestry Research and World Agroforestry (CIFOR-ICRAF), and the Institute of Rubber Research Nepal (IRRN), MoALD strives to develop sustainable smallholder farming landscapes. This project addresses challenges such as rubber material shortages, biodiversity loss, and climate change, with CIFOR-ICRAF providing technical support and IRRN co-leading the implementation.

## Relevant Agencies

- Ministry of Agriculture and Livestock Development (MoALD)
- Center for International Forestry Research and World Agroforestry (CIFOR-ICRAF)

## About the Agency

### Ministry of Agriculture and Livestock Development

The Ministry of Agriculture and Livestock Development (MoALD) is a governmental body of Nepal responsible for the growth and development of the agriculture sector in the country and making the country self-reliant in agricultural production. The Ministry began its operation institutionally in 1978 with the primary objective of translating policies and implementing programs related to agriculture development according to the country's needs and potential. Focused on achieving food security and poverty alleviation through a commercial and competitive agriculture system, the Ministry aims for high and sustainable growth by modernizing and diversifying agricultural production.

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