In Sri Lanka a land extent of 1.26 million hectare in dry and intermediate zones, which had been once utilized for chena cultivation during last few decades, is presently a concern of agriculture and forestry development sectors for future production enhancement. Part of this land resource is marginal and hence restrict the importance for continuous cultivation of seasonal crops. Reforestation with trees of timber value is a successful option for these areas, but promotion of such programmes with farmers participation is difficult since farmers expect only short-term benefits. Inclusion of fruit trees that can attract farmers for reforestation programmes would be a better alternative. This can be considered as a multiple landuse (forest-garden) system. Introduction of perennial crop mulching, micro-level rainwater harvesting and use of large planting pits with expanded soil moisture and nutrient reserves can be successfully adopted to protect young perennial plants from drought damage. This innovation has now brought the expectation of perennial crop ‘forest’ system for degraded lands in the dry zones of Sri Lanka.