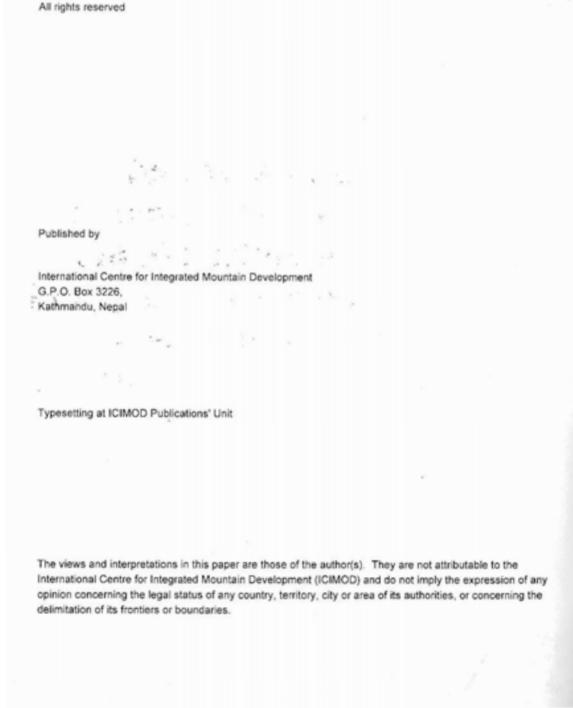
Mountain Enterprises and Infrastructure



ISSN 1024-7564

Economic and
Natural Resource
Conditions in the
Districts of Bagmati
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Economic and Natural Resource Conditions in the Districts of Bagmati Zone and Their Implications for the Environment An Adaptive Simulation Model

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MEI Series No. 95/9

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Preface

This discussion paper was produced as one of the background papers for the preparation of an integrated economic and environmental development plan for the Bagmati Zone. The main purpose of the paper was to develop a better understanding of the economic and natural resource conditions in the districts of Bagmati Zone and their implications for the environment through use of an adaptive simulation model. Understanding these conditions is very important for the purpose of being better prepared to cope with the problems of rapidly deteriorating resources and the impact on food and fodder supplies, among others. Given the inability of small farmers to produce sufficient food on very small plots of land, together with the lack of off-farm employment opportunities, these farmers are forced to borrow at high interest rates from informal sources, worsening their economic condition with every passing year. The result of this is increasing marginalisation. A solution to the food and energy problem is essential. In order to come up with solutions a proper understanding of the interactions and interdependencies is necessary. It is hoped that this paper will be helpful in this respect.

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