

1. BACKGROUND

The economies of the Hindu Kush-Himalayan (HKH) Region¹ are characterised by low levels of development reflected in the increasing poverty of its inhabitants. Levels of income and development differ within the HKH region, because the strategies adopted for economic growth in each country are different and the level of natural resource endowment and patterns of energy consumption and energy resource mix vary greatly and exhibit growing environmental stress. Natural resources, especially forests and water, are threatened by the food and energy demands of the growing population (represented by subsistence economic conditions evident in the heavy dependence on primary energy sources and consequent increasing rate of deforestation as well as the increasing share of imported commercial fuels) (ADB and ICIMOD 1992).

The livelihoods of mountain communities will not be sustainable unless concerted efforts are geared towards the development of a model that embodies transformation from a subsistence economy to a diversified economy. This should be based on economic and allocative efficiency along with the twin objectives of poverty alleviation and employment generation. Such a transition, inevitably, requires the development of energy resources and technologies that are suitable to the 'mountain specific' conditions.

Background of the Countries of the Hindu Kush-Himalayan Region

The countries of the HKH region have a total population of 2,365 million, of which more than five per cent live in the mountains. The average population density in the countries of the HKH region is 154/km², while it is 36 within the Hindu Kush-Himalayas. There is, however, substantial variation in the population density in the HKH region within countries, e.g., 130 in Nepal and 12 in China. Table 1 summarises selected development indicators in the countries of this region.

Against the global infant mortality rate of 60 per 1000 births that of the countries of the HKH region varies between 31 to 129. China and Myanmar have a higher Human Development Index (HDI) than Bhutan and Nepal. Though the HDI Index for the HKH, per se, is not available, the low literacy level and high poverty prevalence in the region are reflective of the poor quality of life for a majority of the population. There are also variations in the HDI Index within countries and within the HKH region.² A large majority of the population has no access to safe water or adequate health facilities; poverty levels are high and, as per the UNDP Human Development Report (1994), out of the total poor of 1,175 million in the entire world, the countries of the HKH region have 625 million, and most of these fall within the HKH region itself. Even though economic growth and development has improved living standards, the HKH region

1 The 3,500km mountain range that stretches from Afghanistan in the west through Pakistan, India, China, Nepal, Bhutan, Bangladesh to Myanmar in the east is home to more than 120 million people (ICIMOD 1995a).

2 For example, the HDI within Nepal among districts varies between 0.1 and 0.4.

remains one of the poorest in the world. Figures 1 to 6 present the various development indicators.