

## Impoverished Timor-Leste can still reach poverty-reducing goal, says UN report

9 March 2006 – Four years after gaining independence, impoverished Timor-Leste, remains one of the world's least-developed nations but can still reach the Millennium Development Goal (MDG) of reducing poverty by one-third by 2015, according to a United Nations-backed report issued today.

The UN's newest Member State ranks below all countries of the Association of South East Asian Nations (ASEAN) on the human-development index, says the country's National Human Development Report 2006, launched in the capital, Dili, by the Government and the UN Development Programme (UNDP).

Half the population of about 1 million lacks safe drinking water, 60 of 1,000 infants born alive die before their first birthday, and life expectancy, at only 55.5 years of age in 2004, is not improving.

Against a backdrop of continuing withdrawal of the UN presence and the decline of foreign assistance to Timor-Leste, the report, entitled "The Path out of Poverty: Integrated Rural Development," concludes that though politically the country is free, its people remain chained by poverty.

But despite the troubled outlook, the first MDG on reducing poverty, one of eight goals set by the UN Millennium Summit of 2000 for slashing a host of socio-economic ills by 2015, is still within reach. To achieve it, the economy must grow by between 5 and 7 per cent, depending on the extent to which this growth reaches the rural poor.

Though this is a challenging prospect in a country where the per capita yearly income is \$370 and falling, hope may lie in offshore oil and gas development. "Given the likely revenues from oil and gas, this is technically feasible and financially affordable, so it would be difficult to justify any plan that did not aim to achieve the poverty goal," the report says.

It stresses that as 80 per cent of households earn a living from agriculture, revenues from oil and gas will be effective in reducing poverty only if they are channelled towards rural development and the accompanying education, healthcare, and job training that allow citizens to improve their lives independently.

"Growth will have to start with agriculture, which employs nearly three quarters of the labour force," UNDP Resident Representative Sukehiro Hasegawa said.

The report's recommendations to help the poor work their way out of poverty include improved access to credit for farmers by establishing a Rural Development Bank, land reform to prevent further degradation of overused land, and consolidation of dispersed communities to allow more effective and efficient provision of public services.