

# UNDP Rural Development Strategy

## Context

Timor-Leste is predominantly rural with over three-fourths of population living in rural areas and primarily dependent on subsistence agriculture. Over 40% of the population, mostly rural, lives under the national poverty line of US\$ 0.55 per capita per day and equal percentage is either food-insecure or vulnerable to becoming so. Agricultural sector is underdeveloped characterized by a host of structural, institutional and technological weaknesses. The landholdings are small and soil fertility is low. Agricultural production has not contributed much to economic development due to very low levels of productivity in a largely non-monetized economy. The upland agriculture faces additional challenges in the form of 'slash and burn' and loss of soil during heavy rains. Non-availability of adequate land for cultivation puts pressure on forests and forces people to cut down trees to meet their needs of arable land and firewood. Area under irrigation is small and use of high yielding varieties low. Agricultural marketing channels are underdeveloped and agro-processing potential relatively unexploited. Non-farm rural employment opportunities practically do not exist except when public works (roads, bridges) are taken up. Lack of rural infrastructure (irrigation, markets, extension, rural roads and rural credit) further



contributes to low agricultural productivity and rural poverty. Recurrent natural disasters and social unrest also take their toll in terms of loss of agricultural production. As a result of these factors, rural population is either forced to migrate to cities or continue to work in rural areas not earning enough to emerge out of poverty. The underemployment in rural areas is particularly high. There is also growing feminization of poverty. Women's marginalized status in ownership of land and property further contributes negatively to decision making and participation in productive activities. All this requires a holistic and comprehensive approach to rural development. Rural development here is broadly defined to include activities that promote rural employment and income generating activities including agricultural growth, rural non-farm activities and rural infrastructure.





## Sustainable Rural Development: The Four Pillars

Within the post-conflict context, UNDP Timor-Leste's sustainable alternatives for rural development are based on four pillars, namely:

**1. Social mobilisation:** As the key strategy of local development, social mobilisation not only promotes self-reliance in the community and helps prevent conflict, but also ensures sustainability of results. Self-help groups represent a form of social capital that promotes trust in the community. When appropriately linked to the local governance institutions, finance and markets, these groups can play a strong instrumental role in enhancing livelihoods and income generation at local level as also be a source of empowerment, especially for women. UNDP brings on board its vast experience of social mobilisation-based poverty reduction programmes in other countries.

**2. Community-based rural infrastructure:** Investment in small but critical rural infrastructure, through initiatives such as community development fund, not only provides local employment but it also makes use of the local material. It creates durable community assets to enhance agricultural productivity for sustainable impact. Community-driven approach promotes local decision-making, empowerment and generates skills within the community who also take charge of maintenance of assets.

**3. Environmental sustainability:** As a key player in environmentally sustainable development, UNDP promotes capacity building for community-based natural resource management (land, water and forests) that prevents unsustainable agricultural practices while enhancing rural incomes. It helps communities to adapt to climate change

without jeopardising their livelihoods and incomes. Rural infrastructure projects like water harvesting structures, soil management and reforestation further contribute to environmental sustainability which is built into UNDP's rural development strategy.

**4. Capacity building:** Within the overall mandate of capacity development, UNDP consciously builds in the principle of national ownership and focuses on capacity development of national counterparts (government, civil society and communities) for comprehensive rural development planning and implementation. UNDP concept of capacity development goes beyond training or technical capacities but also addresses institutional reform and leadership development and development of accountability and voice mechanisms. UNDP programmes aim at exiting with durable national and sub-national capacities. This is partly reflected in taking over by ministries of the project staff and functions in most UNDP projects.

## UNDP's Comparative Advantages

- Being mandated to monitor MDGs, takes holistic approach to rural development
- Supported by professional staff with wider global experience
- Clear and transparent procurement procedures for recruitment of personnel and finance functions
- Low operation costs
- Sound monitoring and evaluation by trained programme staff as well as through external experts.
- Accurate and timely donor reporting
- Close working relations with government with potential for high policy impact and donor visibility
- Good relations with civil society for ground level impact
- Ability to bring on board other UN agencies, funds and programmes

