

Sustainable & Inclusive Rural Transformation: Frameworks and Field Insights



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My personal vantage point:



Field experience across regions shaping public finance, governance, and rural transformation

Personal Insights from Relevant Experience

Indian Administrative Service (IAS)

1. Mission Director Oilseeds Mission and Joint Secretary Agriculture, Government of U.P. (1989)
2. Chief Development Officer in Sitapur and Azamgarh districts of U.P. (1990-1992)
3. District Magistrate of Hamirpur, Maharajganj, Barabanki and Unnao Districts of U.P. (1994-1998)
4. Additional Commissioner Rural Development, Government of U.P. (1998-1999)
5. Secretary Minor Irrigation and Ground Water, Government of U.P. (2006)

International

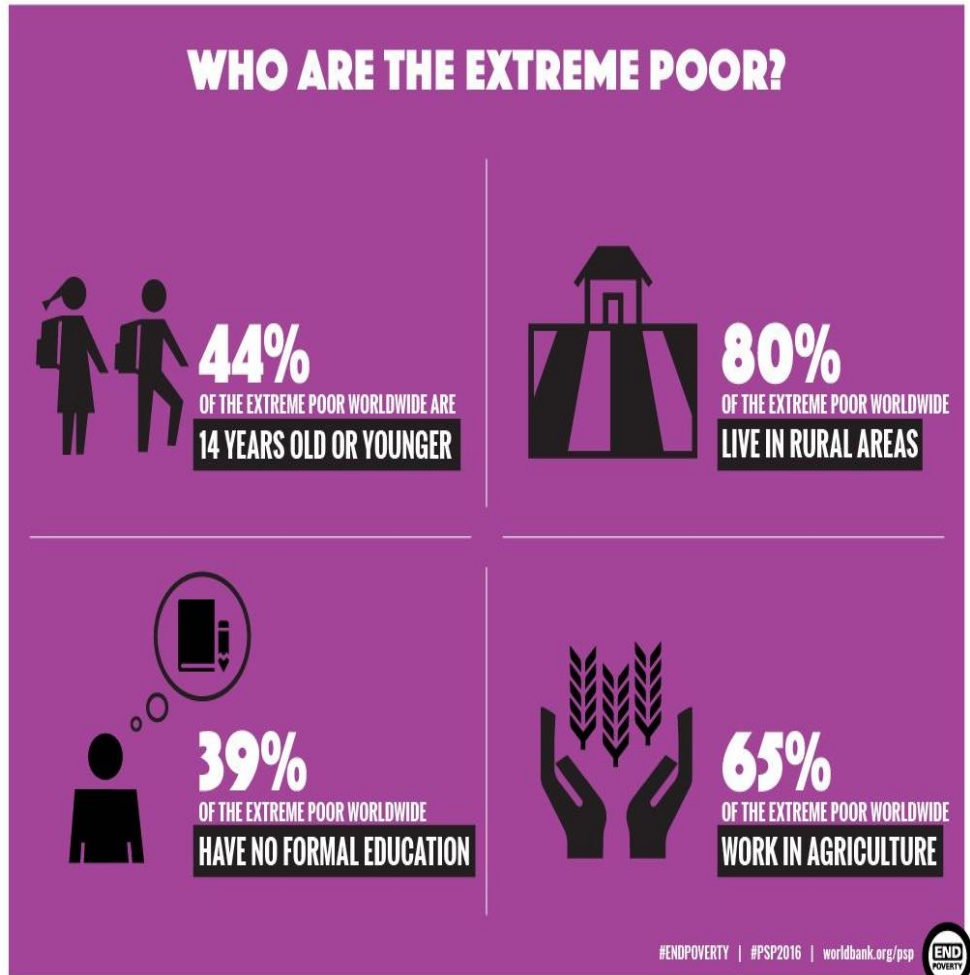
1. Senior Sector Adviser, Water and Sanitation for DANIDA in Bangladesh (2004-2006)
2. World Bank Senior Public Sector Specialist in Yemen – Task Team Leader of World Bank PFM Program (2006-2010)
3. World Bank Senior Public Sector Specialist in Indonesia – Task Team Leader of World Bank PFM Program (2018-2022)

Scheme of Presentation

- Why Rural Transformation Matters?
- Defining Sustainable and Inclusive Growth.
- Four-Pillar Framework.
- Insights from India Experience.
- International Experience and Cross-Country Lessons.
- Practical Applications and Tools.
- Closing Reflections and Transition to Discussion.

Global Poverty Reality: Extreme poverty is overwhelmingly rural and agricultural.

This is why rural transformation remains the backbone of global poverty reduction...



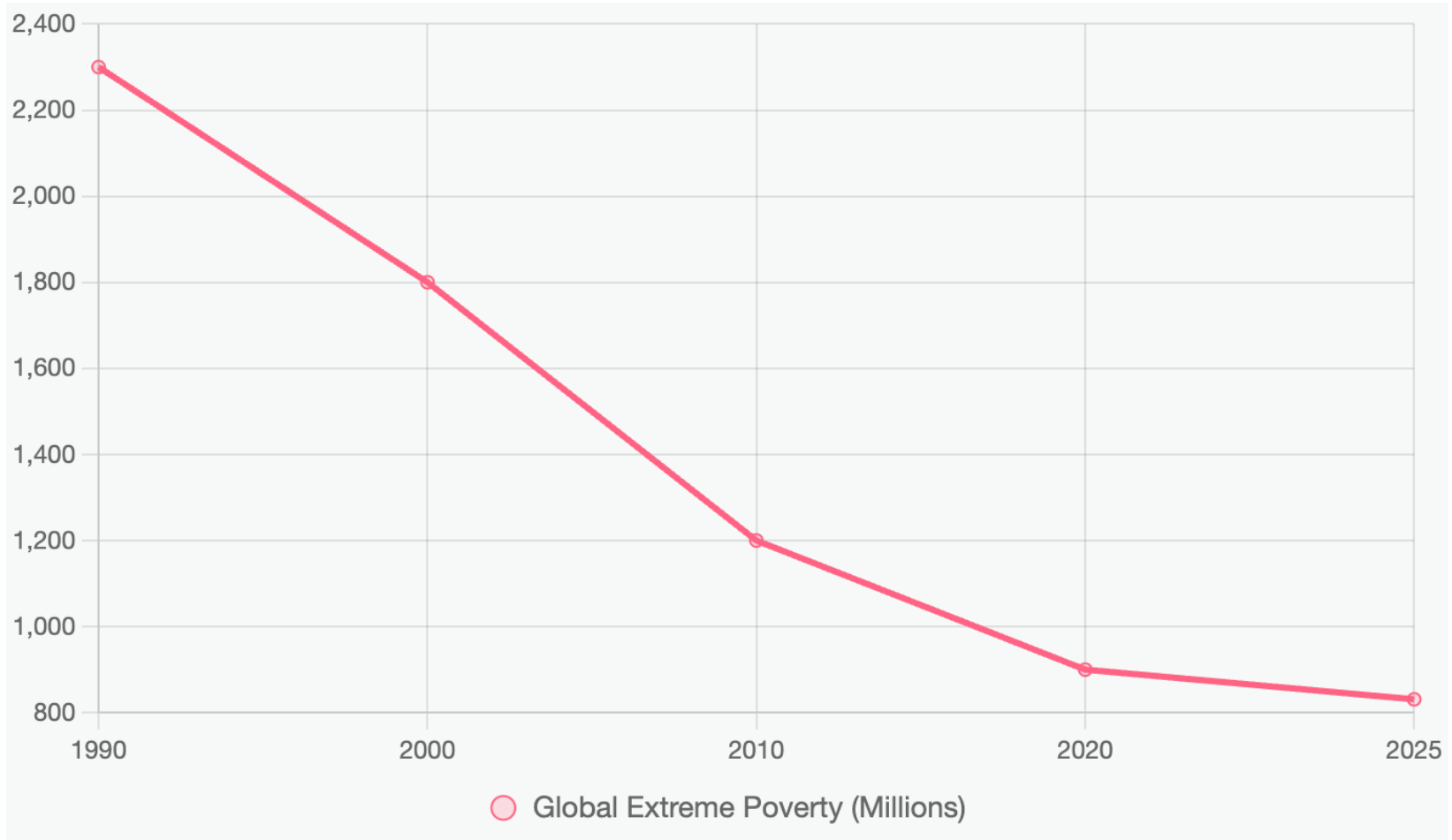


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Agriculture-led GDP growth reduces poverty 2–3 times more than growth in any other sector (*World Bank*)

- Agriculture-led growth is **2–3 times more effective** at reducing poverty than non-agriculture-led growth.
- Rural areas still host **the majority of the poor & climate-vulnerable** households.
- Agriculture remains the **largest employer** across many developing economies
- Rural transformation is central to SDGs 1, 2, 5, 8, & 13

SDG 1 - No Poverty: The Role of Rural Transformation



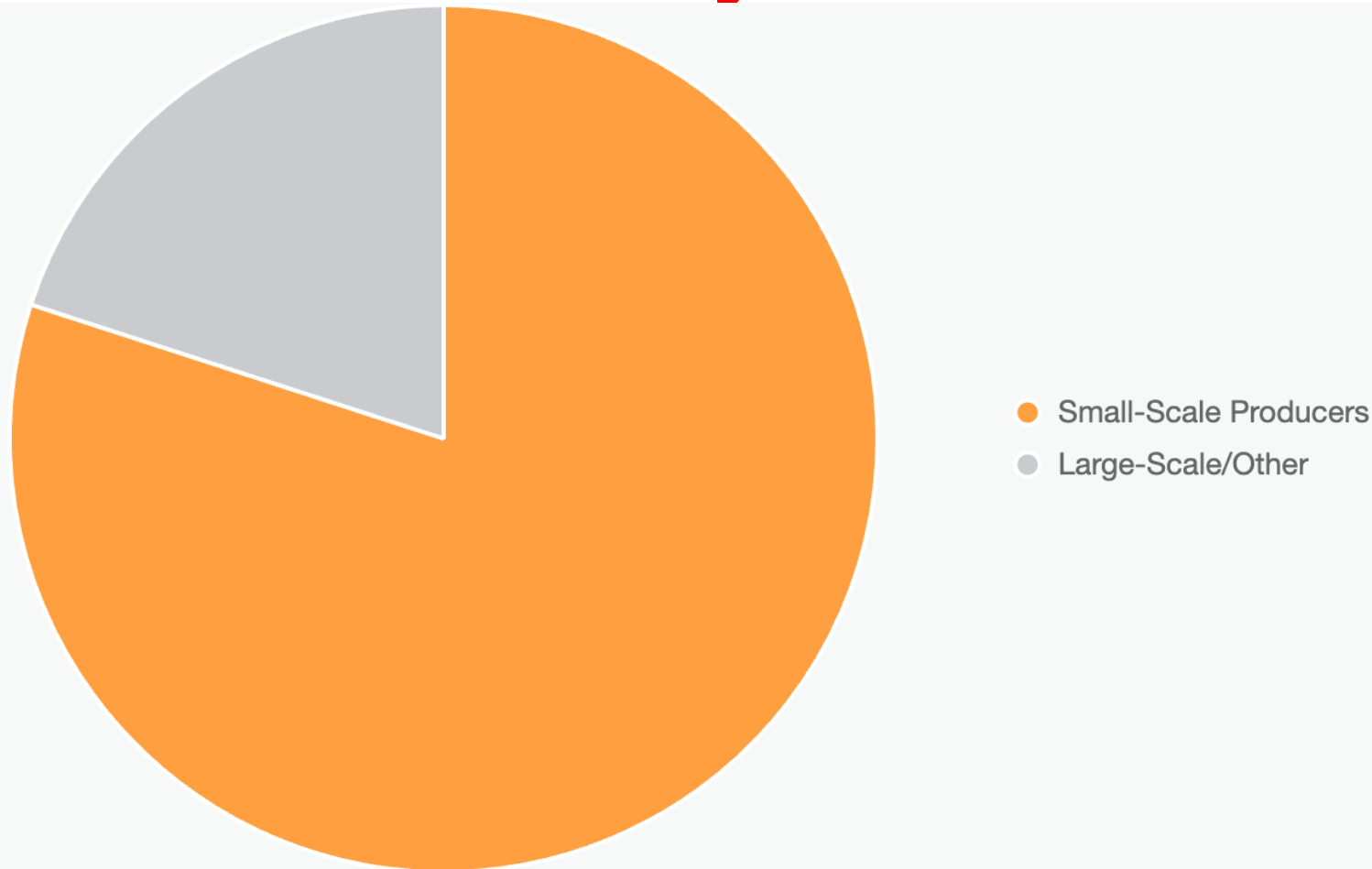
From 1990-2025, extreme poverty declined from 2.3 billion to 831 million, driven by rural productivity gains and inclusive markets.

Smallholders Feed the Developing World

- **80%** of food is produced by Smallholder farmers.
- **84%** of the world's farms are under 2 hectares (FAO)
- Smallholders face structural constraints:
limited land, water stress, low access to credit, markets, and technology
- Their productivity determines:
Rural incomes, National food security, Poverty reduction, Climate resilience.

When smallholders thrive, entire rural economies prosper....

SDG 2 - Zero Hunger: Smallholders and Food Security

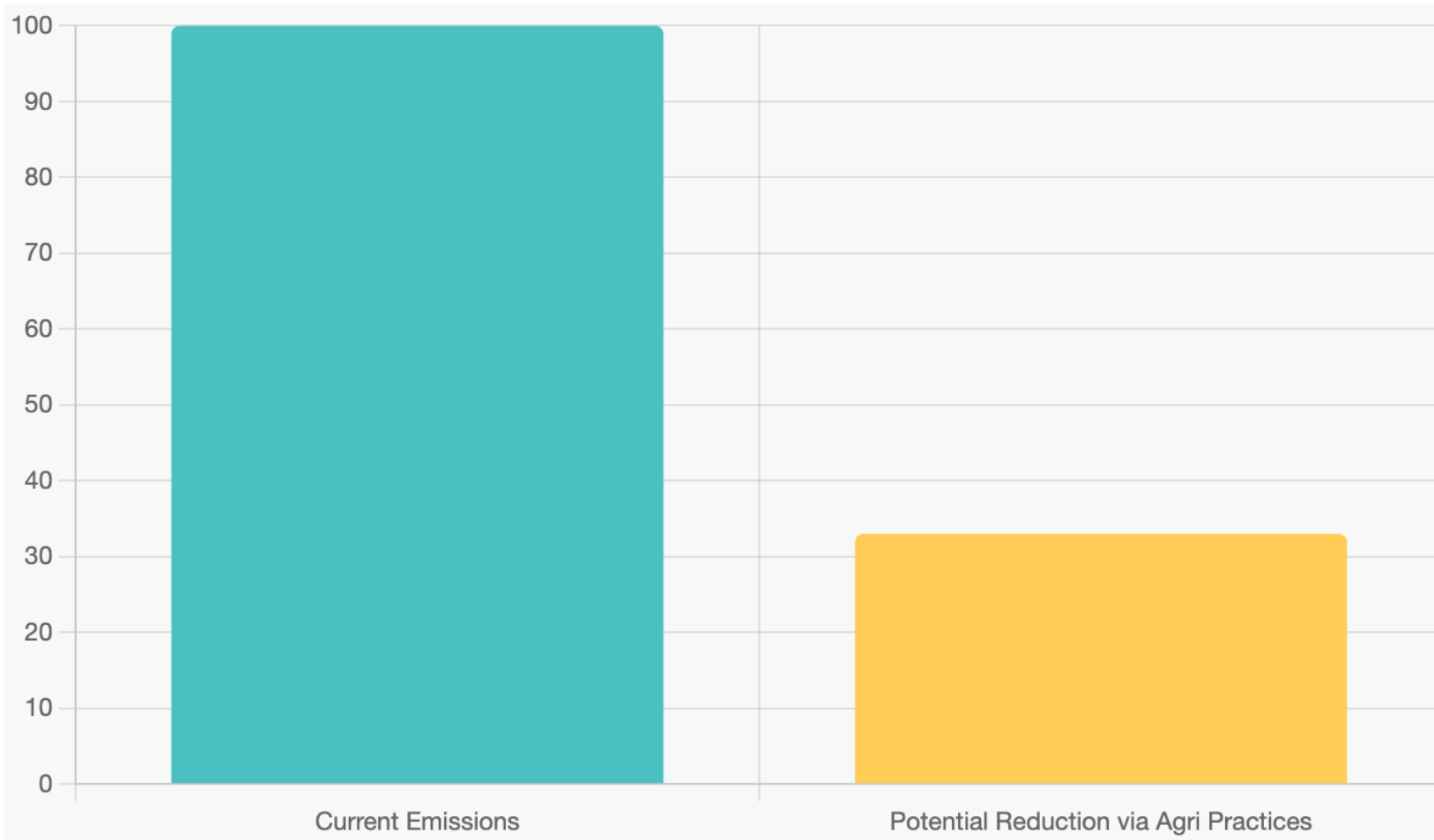


Small-scale producers provide 80% of food in developing regions, but productivity gaps persist.

What Do We Mean by “Sustainable”?

- Higher productivity **without degrading** soil, water, forests, biodiversity
- Climate-smart practices: **adaptation + mitigation + resilience**
- Efficient water use, diversified cropping systems, regenerative practices
- Long-term **economic viability + ecological balance**

SDG 13 - Climate Action: Building Rural Resilience

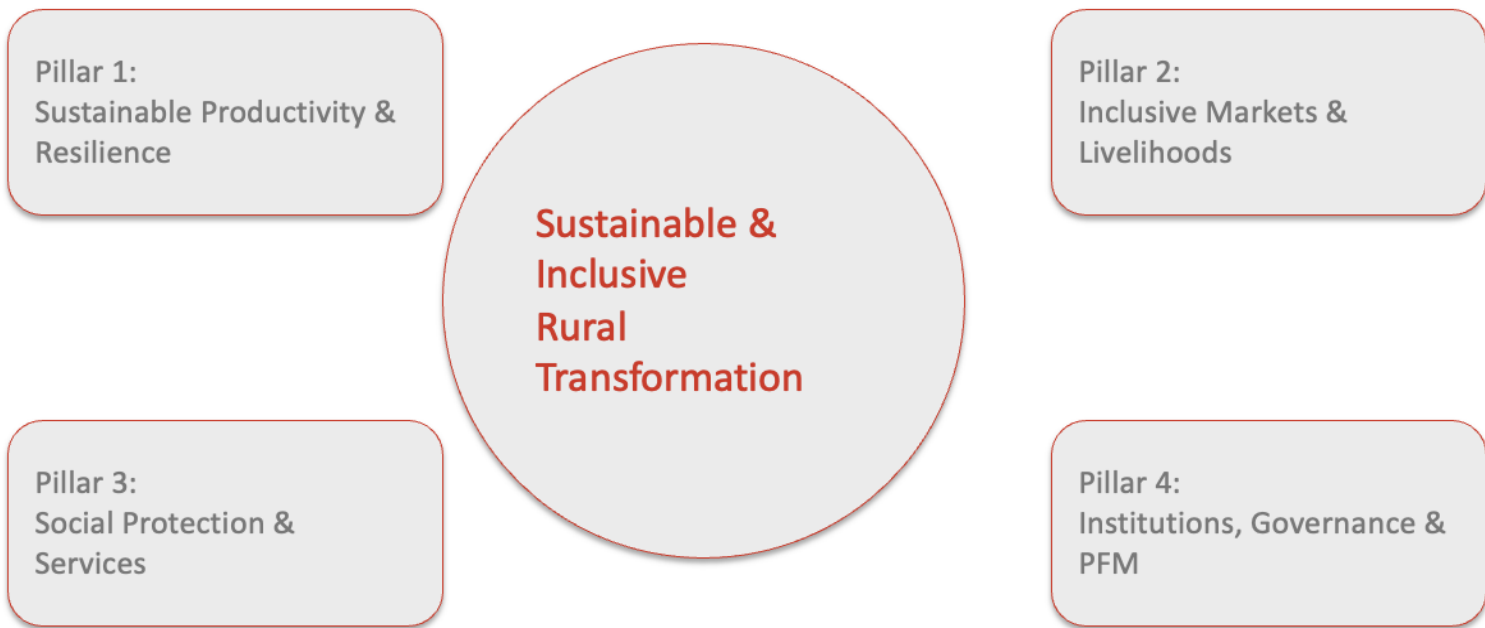


Agri-food systems can cut nearly 1/3 of global GHG emissions through scalable climate-smart practices.

What Do We Mean by “Inclusive”?

- Growth that benefits **smallholders, women, youth, land-poor & lagging regions**
- Equitable access to:
 - Land, irrigation, inputs, credit
 - Markets, information, technology
- Policies that **reduce exclusion**, not widen gaps
- “No one left behind” as a design principle

A Four-Pillar Framework for: Sustainable & Inclusive Rural Transformation



Cross-cutting: digital infrastructure, data, participation

How My Experience Maps to the Four Pillars

Pillar 1: Sustainable Productivity & Resilience

India – Oilseeds Mission,
Watershed, Irrigation
Global – WASH Bangladesh

Pillar 2: Inclusive Markets & Livelihoods

India – Land Reform,
Ganga Road, Markets

Pillar 3: Social Protection & Services

India – Dalit Land Rights,
Bonded Labour Rehabilitation

Pillar 4: Institutions, Governance & PFM

Yemen MTEF,
Indonesia Performance Budgeting



INDIA EXPERIENCE THROUGH THESE PILLARS

Case 1: Oilseeds Mission (UP) – Sustainable Productivity

- Improved oilseeds production through:
 - Improved productivity via Irrigation expansion, HYV seeds, and farm implements.
 - Increased area under cultivation through extension and motivation.
- Early example of **sustainable intensification + systems delivery**
- Lessons: extension, input reliability, and field-level monitoring matter

Case 2: Land, Water & Market Linkages

- Agriculture Land allotted to landless labourers (asset creation) in Hamirpur, Karvi, Mahaajganj, Barabanki, and Unnao districts.
- Micro-watershed works, bunding, and water harvesting in the Bundelkhand region of U.P.
- Ganga Katri Marg**: 100 km road connecting 1,000+ villages in Unnao district.
- Reduced transaction costs → improved market integration
- Direct fit with **Pillars 1 & 2**

Case 3: Inclusion in Action – Dalits & Bonded Labourers

- “Ummeedon ka Shahar” resettlement for destitute families in Unnao district.
- “Bandhua Nagar” rehabilitation of bonded labourers in Karvi division of Banda district.
- Dalit land rights: 1,000+ households secured land titles in Hamirpur district.
- These are today’s “inclusive transformation” case studies
- A living example of reducing structural exclusion

Case 4: WASH as Foundation for Rural Growth

- SWAJAL & SWAJALDHARA: community-led drinking water systems
- Special focus on women's participation → time saved, safety improved
- WASH improves health → stronger agricultural labour productivity
- Climate-resilient water systems (key to adaptation)



INTERNATIONAL EXPERIENCE: SYSTEMS, FINANCE & GOVERNANCE

Case 1. Yemen: MTEF for Agriculture

- Challenge: strong strategies, weak financing
→ unsustainable outcomes
- Introduced a **Medium-Term Expenditure Framework**
- Linked agriculture strategy to realistic budget envelopes
- Result: improved predictability, prioritisation & donor alignment
- Demonstrates **Pillar 4: finance + policy coherence**

Case 2. Indonesia: Performance Budgeting for Agriculture and Rural Development

- Shift from inputs → outcomes: productivity, value-added, rural incomes
- 3-year rolling budgets tied to measurable results
- Strengthened monitoring across ministries
- Key lesson: **money must follow priorities; priorities must follow evidence**
- Direct Benefit Transfers using IFMIS
- Budget Transparency Application
- Climate Sensitive Budgeting
- Gender Responsive Fiscal Policy

Case 3. Bangladesh: Sector-Wide Approach (SWAp) for WASH

- Moved from fragmented projects → unified sector programme
- Local governments in the driver's seat
- Joint financing framework with development partners
- Improved sustainability, accountability & pro-poor targeting
- Illustrates **all four pillars working together**

Cross-Country Lessons

- Strategy \neq results unless budgets align
- Local institutions matter more than schemes
- Inclusion requires deliberate design (gender, youth, land-poor)
- Digital public infrastructure is a multiplier
- Climate is no longer a “sector issue” \rightarrow it’s economy-wide

Pillar 1: Sustainable Productivity & Resilience

- Sustainable intensification → more yield, less resource stress
- Climate-Smart Agriculture → triple wins
- Evidence:
- Productivity rises when supported by **extension + irrigation + risk reduction**
- Integrated watershed management boosts soil moisture & crop security
- Importance of diversified crops & better water governance

Pillar 2: Inclusive Markets & Rural Livelihoods

- Market access = higher incomes **only if small farmers are included**
- Value-chain integration: storage, grading, processing, transport
- Rural non-farm economy → key to absorbing youth
- Risks: “Commercialisation without inclusion” widens inequalities
- Need for farmer collectives, digital platforms, producer groups

Pillars 3 & 4: Social Protection + Public Finance

Social Protection:

Cash transfers, public works → reduce risk & crowd-in private investment
Improve food security, labour mobility, adoption of new technologies

Public Finance & Institutions:

MTEFs, performance budgeting, climate-budget tagging
Strength of local governments determines **spending quality**
Sustainability depends on **policy + budgeting + last-mile delivery**



RELEVANCE ACROSS DEVELOPING COUNTRIES

Challenges and Opportunity for Developing Countries

Common challenges:

- Smallholder dependence
- Climate stress, water scarcity
- Youth unemployment
- Limited fiscal space

Shared opportunity:

- **new financing + digital + community systems**

Applied Lessons for Developing and Emerging Economies

Align Strategy & Budget

Empower Local Governments

Inclusion Must Be Intentional

Sustainability = Institutions + Finance

Financing Sustainable & Inclusive Agriculture and Rural Development

Domestic public finance:

- MTEFs, performance budgeting, climate-budget tagging
- Prioritise irrigation, extension, WASH, women's collectives

Financial sector levers:

- Credit guarantees, blended finance, insurance
- Digital payments & credit scoring for smallholders
- Ensure funds reach **frontline delivery systems**

A Practical Assessment Checklist

For Pillar 1: Sustainable Productivity & Resilience

- Are productivity investments climate-resilient?
- Is water use sustainable?

For Pillar 2: Inclusive Markets & Livelihoods

- Who is excluded from value chains?
- Are women & youth participating?

For Pillar 3: Social Protection & Services

- Do social protection programmes support productive activities?

For Pillar 4: Institutions, Governance & PFM

- Are budgets aligned to sector outcomes?
- Do local governments have capability & resources?

Discussion Prompts

- Which pillar is strongest in your country? Weakest? Why?
- What one reform could have the largest inclusion impact?
- How can financing be better aligned with rural priorities?
- What innovations (digital/ market/ governance) show promise?

Closing Reflections

- Field insight + system thinking = transformation
- Markets, productivity, institutions must move together
- Inclusion is a design choice, not a by-product

• Questions & Discussion Welcome!

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